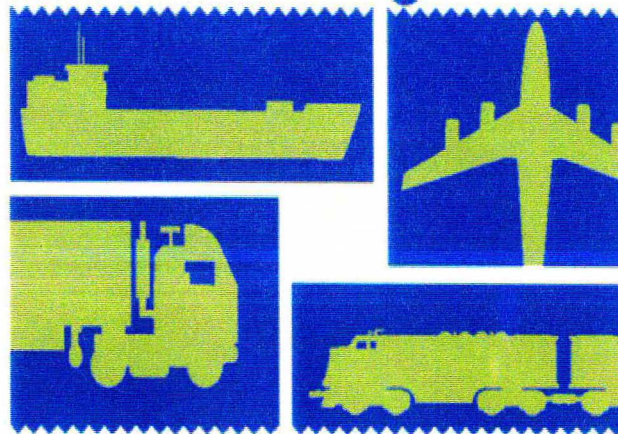


Proceedings

National Freight Summit

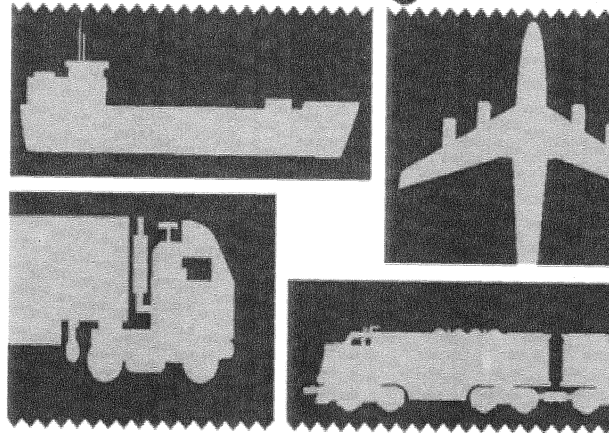


One System, Many Partners

Philadelphia, Pennsylvania
November 17-19, 1997

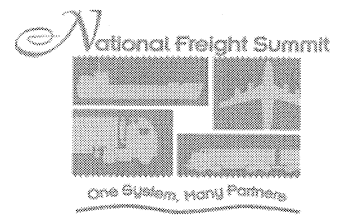
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Prepared by:

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Created in 1965, the Delaware Valley Regional Planning Commission (DVRPC) is an interstate, intercounty and intercity agency which provides continuing, comprehensive and coordinated planning for the orderly growth and development of the Delaware Valley region. The region includes Bucks, Chester, Delaware, and Montgomery counties as well as the City of Philadelphia in Pennsylvania and Burlington, Camden, Gloucester, and Mercer counties in New Jersey. The Commission is an advisory agency which divides its planning and service functions between the Office of the Executive Director, the Office of Public Affairs, and three line Divisions: Transportation Planning, Regional Planning, and Administration. DVRPC's mission for the 1990s is to emphasize technical assistance and services and to conduct high priority studies for member state and local governments, while determining and meeting the needs of the private sector.



The DVRPC logo is adapted from the official seal of the Commission and is designed as a stylized image of the Delaware Valley. The outer ring symbolizes the region as a whole while the diagonal bar signifies the Delaware River flowing through it. The two adjoining crescents represent the Commonwealth of Pennsylvania and the State of New Jersey. The logo combines these elements to depict the areas served by DVRPC.

DELAWARE VALLEY REGIONAL PLANNING COMMISSION

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ABSTRACT

These proceedings document the National Freight Summit held in Philadelphia, Pennsylvania from November 17-19, 1997. The Summit, which was sponsored by the Federal Highway Administration and hosted by the Delaware Valley Regional Planning Commission, brought together over 100 leading experts and practitioners from the private and public sectors to discuss the movement of freight with an emphasis on the Summit theme of *One System, Many Partners*. The following proceedings provide highlights from the three-day event including the open-forum Town Meeting, Delaware Valley Goods Movement Task Force service awards, moderator and speaker biographies, and a listing of all Summit attendees.

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eNational Freight Summit



One System, Many Partners

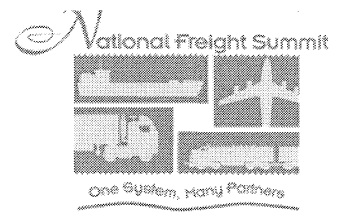
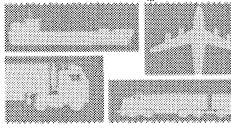


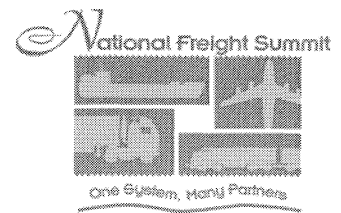
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One System, Many Partners



I. INTRODUCTION

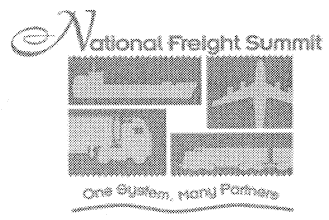
From November 17-19, 1997, the Delaware Valley Regional Planning Commission (DVRPC) was proud to host the National Freight Summit in Philadelphia. The Summit brought together over 100 leading transportation experts and practitioners to discuss a topic of growing concern: the movement of freight.

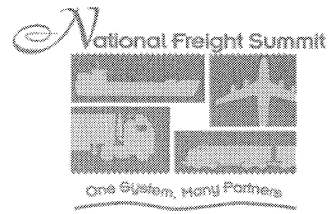
The conference was the third in a series sponsored by the Federal Highway Administration (FHWA). The National Freight Summit sought to build on the successes of meetings in Albuquerque, New Mexico in September 1995 and San Antonio, Texas in October 1996 and to introduce for the first time a strong presence of the true goods movement customer base: shippers and carriers.

For those who attended the Summit, the following proceedings provide highlights from the three-day event, with a particular focus on the unique Town Meeting and the insightful and provocative discussion it generated. For those who were unable to attend, the Town Meeting notes, the moderator and speaker biographies, and the list of participants will reinforce the Summit's theme, *One System, Many Partners*, and the relationships which were either begun or strengthened in Philadelphia.

As the metropolitan planning organization for the Philadelphia area, DVRPC regards the federal mandate to incorporate goods movement into the transportation planning process with great seriousness. In fact, DVRPC has attempted to not just meet the mandate, but to go well beyond it because of the vital relationship of the movement of freight to jobs, consumers, and the quality of life.

DVRPC wishes to express its indebtedness to the FHWA for supporting the National Freight Summit, to all of the speakers and moderators for offering their insight and leadership, and to all of the attendees for injecting their interest and enthusiasm. Each partner made an invaluable contribution to the success of the Summit and to providing an ever more visible profile for goods movement.





II. TOWN MEETING—ROUNDTABLE STATEMENTS

The efficient flow of freight has many stakeholders. This forum provided a platform for a diverse panel of goods movement professionals to offer their candid views on common concerns and controversial issues. (Please note: these transcripts have been edited for presentation purposes; any resultant misinterpretation is regretted.)

Donald S. Shanis, Associate Director of Transportation, Delaware Valley Regional Planning Commission

This morning, we set the stage and got into the customers and what they need from the system. Now, we will start talking about strategies and look at it from a provider perspective. We have done this a little bit differently than in the past and we're calling this a town meeting much in the Phil Donahue type tradition. Hopefully, it will be a very interactive and exciting kind of format where you get to talk about some of the things we heard this morning and, more importantly, what we'll hear from each of our speakers this afternoon.

The moderator for this afternoon is Richard Landis who is the President and CEO of Heavy Vehicle Electronic License Plate, Inc., more commonly known as Help. Help's mission is to make it easier for heavy vehicles to travel about our nation's highways, much like automobiles travel, and to be a real partner in ITS planning. Mr. Landis joined HELP after seven and a half years with the Federal Highway Administration as a senior official responsible for improving the safety and efficiency of the truck and bus industries. He is the current chairman of the Intelligent Transportation Society of America's Commercial Vehicle Operations Technical Committee. Richard will now lead this afternoon's discussion.

Richard P. Landis, President and CEO, Help, Inc.

Thank you very much. I'm really pleased to be here. I flew all night long from Salt Lake City to get to Philadelphia early this morning, so I've been testing all of the systems getting in and out. This is a really appropriate add-on for my trip. I started at Salt Lake City at the AASHTO conference (the American Association of State Highway and Transportation Officials) and Secretary Slater was there yesterday. Interestingly enough, what he was talking about is the multiple transportation systems and links and how they have to work. Also, at that same meeting was the new administrator for the Federal Highway Administration, Ken Wykle. He's not talking about highways per se either; he's talking about the movement of goods, people, and services through the system. It's music to my ears from my background. I think the reason that you're all here and that we've been able to put this particular panel together is to deal with these kinds of issues, to put the pieces together, and to work as a team in pulling off transportation as we know it needs to be.



What we're planning on doing this afternoon is to throw a series of subjects out on the table. We're going to hold this in dialogue type fashion among the group that we have on the stage. More importantly, we really would like to have some dialogue with you in the audience: some questions, some responses, and even some input into the questions and issues as we go through them.

Let me start with the introductions of our panel. I'm going to start with Paul DeMariano. He is the President and Chief Executive Officer of the Port of Philadelphia and Camden. He has been there since 1994 and has had the task of trying to bring together a lot of diverse pieces in the ports in this area and put them together in an operation that makes sense for Philadelphia and Camden. Paul, before that, had a career with the Navy, and, later, was in Jacksonville at the port's operation down there.

Let me go over here with Kevin Heanue. Kevin is with the Federal Highway Administration. Kevin and I worked together for almost seven and a half years and I'm delighted to be able to share this afternoon with him. Kevin has been with FHWA since 1958. He's had lots of different assignments. Now, he's the Director of Environment and Planning: he's been there since 1990. He is responsible for administering programs covering a broad range of issues. He worked extensively on the original ISTEA and its production and implementation, especially the sections dealing with the National Highway System, Surface Transportation Program, and the way that environmental and planning issues go with them. Kevin's active with the Transportation Research Board. He's an engineer by trade.

From a practical sense, I think we are really fortunate to have Steve Robinson with us. Steve is joining us from Bentonville, Arkansas. As many of you know, that's the home of a little company called WalMart. Steve has been with them now for about five and a half years, after a long career in the transportation industry that has really hit on the major players in the game over time: the United Parcel Service, Roadway, and Consolidated. All of these names, for anybody that's in the trucking business, are key people. I talked to Steve on Friday about being here, and there was an "if" in our discussion as to whether or not he could make it, but that was not because he didn't want to. Steve is responsible for the movement of all inbound goods, both grocery and regular goods, to all WalMart stores throughout the entire WalMart system. If you realize that next week is Thanksgiving Day and the day after Thanksgiving is the largest shopping day of the year, then you know this is not the best time of the year for Steve to be on the road. Actually, he found a customer up here that made it worthwhile coming to be part of this, so I think that's a great use of efficiency. The one thing I wanted to add is that if Steve looks like a football player, he is. He was at Ohio State from 1976-1980, and played under the great Woody Hayes.



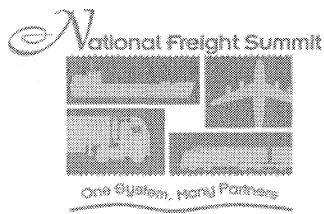
On the end we have Tom Jensen. Tom is with the United Parcel Service. Tom doesn't look like it, but he's a lawyer. This is proof-positive that you never know what you're going to find at UPS. I mean that in an appreciative way because they are a company that has brought people from all kinds of backgrounds into an amazing organization. Tom is in Columbus now and has worked with a number of you in the public and government affairs arena. He went to American University in Washington. He got his law degree in Bridgeport, Connecticut. He had a number of assignments before United Parcel Service, including working on political campaigns and public affairs assignments. I think Tom is really going to be an addition to this panel because UPS is one of the key players, and the transportation system is critical to UPS and what they do. I'm looking forward to his perspectives.

The last one I want to introduce is Frank Venezia. Frank is the President of Venezia Transport Service here in the Philadelphia area. He started that business with one truck and has built it up to about 275 tractors and 700 trailers. He's been doing it for 31 years, so he's not just getting started. He has built the business: it entails tank truck operations and flat-bed operations in one part. And then he has a brokerage portion of the business. So, there are really three parts to his business, but they are all critically connected with the transportation system. He's a Pennsylvania native. He is the President of the Philadelphia Chapter of the Pennsylvania Motor Transport Association. Unlike a lot of other states, Pennsylvania has divided the trucking industry into local chapters. He also sits on the statewide Board of Directors on the Executive Committee, and he also serves with the Truck Load Carriers Association which is now one of the major trade associations in the nation.

So, these are your speakers. Feel free to look into each of their areas. I'm now going to ask each of our presenters to give a view of the transportation system, the intermodal side, the importance of it, and how it fits into what they're doing.

I'm going to start this discussion off with a little perspective of where I come from. I'm now the president of a company with a public-private partnership that is very formalized. I want to emphasize this because I am convinced that partnerships and relationships that are developed between different components of our transportation system are what's going to make it work. I started out with the Arizona Department of Public Safety. My background was law enforcement. Just by a quark of fate, I ended up dealing with the commercial vehicle side and the hazardous materials side of the business.

In 1984, the truck safety issue became a very important issue at the Federal Highway Administration. There were front-page newspaper stories almost every day about the safety deficiencies in the trucking industry. It was a very serious problem for the Federal Highway Administration because the way it had been organized was that the truck safety operations were at a fairly low level within the organization. As a result of an internal study, the decision was



made to elevate the level of motor carrier safety, efficiency, and regulatory responsibility within the Federal Highway. I just happened to be in the right place at the right time because of the Arizona work and some other national work. I was selected by Secretary Dole to fill that position, so I came to Federal Highway in 1985 and created what is now the Office of Motor Carriers. I would be remiss if I didn't point out John Steinhoff, who is the regional director of Baltimore from the Office of Motor Carriers. John was on my staff when I first got there and for all practical purposes, it was John and I who penciled out what the reorganization looked like.

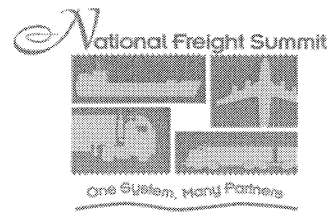
The perspective that I bring is in how this has reverberated in the eight years that I was there. I went through four different Secretaries of Transportation: Elizabeth Dole, Jim Burnley, Sam Skinner, and Andy Card. Each of them picked up different components of this intermodal transportation need. It has evolved piece by piece, certainly in large part with what happened with the reauthorization under ISTEA. There has been a very steady track of intermodalism being raised in how we all think about transportation and what needs to be done.

I'm particularly intrigued with Secretary Slater's priorities. One of them is safety and I want to give the panel members a chance to think about where safety fits because the Department of Transportation is making it very clear that safety is going to continue to be at the top of their list. How do we do that? How do we fit safety into this program? How do we consider it? And is it really at the top of all of our lists? I think from a public affairs point of view, yes, but I think it's worthy of discussion.

The second issue is funding. Provide full-level funding for our transportation infrastructure. That's directly aimed at the current reauthorization, and how the monies are going to be split. They're all very critical issues.

I mentioned the new Federal Highway administrator, Ken Wykle. He has some very interesting perspectives as part of this evolution that I've seen and I think you're all a part of. It is a change for a Federal Highway administrator to really not talk about highways. He's a retired general and his background is military logistics. Some direction that he is giving to his own staff is that the focus needs to be on moving the goods and identifying the barriers. In the truck area, he was very specific, asking why we make trucks stop all over the country all the time. It's a very fundamental question, but it is a foundation to what we are trying to do with technology, and what others are trying to do to smooth out the system. I think you're going to see an increased emphasis on the concept of moving things from one place to another through whatever means it takes to get it there and making that more efficient.

There are the three areas that I want to delve into a bit. The first is the safety area. The second one is the partnerships, the relationships that have to be there, and the new ways of doing business and putting different people together. And then the last one we need to discuss is



technology. I think much of what we're doing is truly being changed by some very basic, but yet appropriately applied technological changes that change the way that we go through that business.

I'd like to start down here with Tom at United Parcel Service and ask you to spend some time on where this all fits in your puzzle on a day to day basis and in the bigger picture.

Thomas F. Jensen, Public Affairs Manager, United Parcel Service

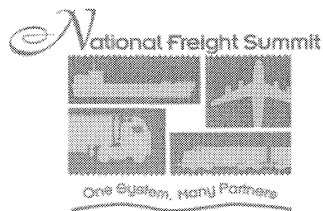
Thank you very much Dick for that introduction and I appreciate the opportunity to be here today as well. There were some interesting topics on intermodal things this morning. Let's talk about UPS for a minute and these issues will certainly come into play as I describe what we do and how we do it. Many of you are familiar with us to an extent.

If we play that old game where I give you a word or an object and you come back with the first thing that comes to your mind and I said, "United Parcel Service," I would venture to guess that most folks would come back with, *brown trucks*. What would the other one be? Drivers. We call the trucks package cars, or delivery vehicles, the ubiquitous, kind of strange shaped delivery vehicle you see out and around. Our service providers, the men and women who wear the brown, are real important to us. They have been and remain our best marketing and public relations tool, and the ambassadors to service for us.

But that's the tip of the iceberg. That's where I think all of the issues we spoke about this morning, and we will this afternoon, come into play. At UPS, we are truly one system, many partners. In fact, our system is a microcosm of the theme of this meeting. As we move packages, the objective is moving from Point A to Point B, and again our core business is packages weighing up to 150 lbs. Everything depends on when the customer wants it from Point A to Point B and where it's going. That dictates the mode that it travels. I say this as background to realizing that there are a lot of vehicles out there. We've got 157,000 vehicles around the world. And today, we'll have 65,000 or 70,000 drivers on the road in the United States of America. If you were Tom Jensen hardware store owner shipping a package or if you were Steve Robinson at WalMart, the service level the customer requests dictates how we ship the package.

Someone mentioned planes, and that's a real big part of our system. UPS, as you may or may not know, is one of the ten largest domestic airlines in the US. We have a fleet of 500 aircraft, 200 owned, and 300 leased. We service 600 airports daily. We make between 1,400 and 1,500 flight segments daily. So, it really is a kind of spider web that spans the globe.

As far as the rails are concerned, UPS is a very large intermodal rail shipper. It's interesting to take a look at the growth in our business there. Twenty years ago, 1976, we spent \$86 million



moving packages on the rails. By 1996, that was \$660 million. So, we talk about trends and where we're going to move packages and you can see that partnering with the railroads is very important to us and to our customers.

Technology is a phenomenal area of growth at UPS. Our customers are now demanding not just the package, but a lot of information to go with the package. That information is more important to our customers now than it ever was before. In 1983, we had 90 people in information services in a company the size of UPS. Today, we have 4,000 people, I/S professionals, or chip-heads, to do this work for us. It's real important work. They're working on UPS systems that communicate with the customer's system. We can interact over the Internet, through specific systems we've developed, and talk to your database and our database. There's a lot of efficiency for us there as well. Our capital costs for computers and technology is \$2 billion this year, and it's pretty much been the same rate for the last five years. We've spent \$10 billion in technology in five years.

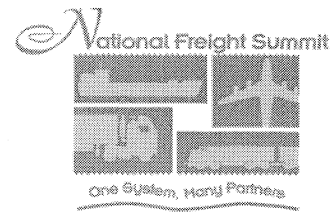
So, again, with UPS, I see a driver who comes here, picks up a package and leaves, and I see a driver on the other end who delivers the package. But, in between Point A and Point B, it is, indeed, one system, many partners. Depending on what our customer has requested of us, the service they have elected, whether it be an overnight delivery with a guaranteed delivery time the next morning or whether it be the common carrier type of a no-frills shipping, there are a number of people in between through your basic hub and spoke system who touch the package, who move the package, and we choose various methods of getting it there. Again, as far as we're concerned from the customer standpoint, it should be seamless. They give us the package and they know when it's supposed to be delivered. The customer really doesn't care if it's Pony Express or the Concorde, regardless of whether it gets there in good shape and it gets there at the time the customer is promised. That's where we are and I hope to lend my insights from a public affairs standpoint to some of the issues that Dick spoke about. I'm happy that UPS is able to play a part today and please feel free to ask any questions.

Dick Landis

One of the areas that we may get into is what labor is doing in the overall market and Tom's corporation just had a major experience in the labor environment. What I want to do now is go down to the other end to Paul. I'm interested in how he has been putting the pieces together. One of my big interests is partnerships and relationships and that has probably occupied a great deal of your time and I would be interested in your comments on that.

Paul D. DeMariano, President and CEO, The Port of Philadelphia and Camden

Thank you, Dick. I'm pleased to be here and I give you the greetings of the Port of Philadelphia and Camden (PPC). Many of you are aware or have been involved in the years of attempting to join the ports and agencies in the port of the Delaware River.



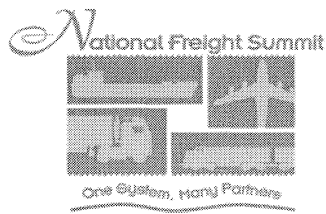
It's obvious to all of you, and certainly to us, that there's been great confusion over who is in charge of what terminals, docks, and facilities on what side of the river. The fact is we have some difficulty identifying ourselves to the shipper or the carrier, and the carrier can't find who, on a given day, he should be talking to. So, the Port of Philadelphia and Camden was formed not too long ago. But, in fact, there are probably people walking around this city who remember when during Harry Truman's administration, the idea of merging and combining the ports under one auspices was under discussion. I mean literally 50 years ago. At the outset, Dick, you mentioned that I had been here since 1984. I really have only been here since 1994, but there are days when it feels like I've been here since 1984. And there are people in this city, like Henry Reichner, who have been working on this problem for literally generations.

The merger involves the terminals on the Philadelphia side of the river, formally owned and operated by the Philadelphia Regional Port Authority as a landlord, the docks and terminals on the other side of the river known as the South Jersey Port Corporation, and an intermodal rail yard called Ameriport which was built and is owned by the Delaware River Port Authority and operated by us. This is about 31 separate terminals and rail facilities. We're very proud of the fact that this is a busy fresh water harbor. What we call the salt water wedge is around Marcus Hook. We consider ourselves freshwater above it and salt water below it. It's a 40 foot harbor, a relatively deep harbor. We have probably 1,250 ship movements a year and 60 million tons of commerce flowing in and out of the river. About 10 percent of that is discretionary in the sense that it's not refined cargo, oil, or petroleum products. That's where our rubber hits the road. We're working with the groups that own, lease, or, in some cases, our own people who operate these various marine terminals.

Key to the whole thing is to figure out how to be effective with people whose paychecks you don't really control. The PPC has a large and certainly vitally interested audience of users, terminal operators, and people in and around this river including the unions, the stevedores, and the rail, truck, and water carriers, that are participants in what has always been separate and individual agencies and terminals and ownerships all vying for one another's business.

If you accept the notion that we are by definition 90 miles up a river, and if you accept the notion that we are stuck with the off-trade route steaming time issues, then you'll understand why we feel that we can only eat what we kill and basically we spend our day trying to kill things so that we can eat. The name of that game is how to coax them up the Delaware River to these terminals where we can maybe not devour them, but we're going to have some fun with them.

Between the ocean carriers, the rail carriers, and the truckers is where this group gets around like a pride of lions. We start to look at what it is that's moving, and measuring it, and thinking about how it'll taste. That's what we do; that's what I'm here to do. And in about three years since I got here, we're working very hard to make that happen.



Dick Landis

Let me ask you a question. With the experience that you had in Jacksonville and the transition to Philadelphia, obviously there are a number of similarities of operations, but are they remarkably different types of problems that you're dealing with between those two ports?

Paul DeMariano

Yes, they are. This is a room full of people who are involved in the commerce that we're here to talk about. I have found through experience that I don't tell you what you do, but I can tell you how, from a port management viewpoint, what we do here is very different from what is being done in the South Atlantic. In the South Atlantic, where I was at Jacksonville for about six years and prior to that I operated the ports around Port Everglades very early in my career, the issues tend to be primarily distribution issues, except for South Florida which is a consumption area. Jacksonville is not. Around Jacksonville are some very good roads and some good rail connections. There is not a huge megalopolis to be served as a consumption area.

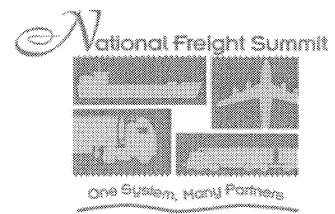
Philadelphia is quite different. Here, we service within 36 hours, as some of you who are in the motor carrier business know better than I, 50 million people or more within that driving distance. We deal in urban transportation, congestion, and anthropological kinds of issues like unions, declining work opportunities, and rust belt erosion of the industrial base. In Jacksonville, Port Everglades, and Tampa, they are dealing not so much with the urban issues as with how to efficiently distribute to the heartland of the United States which is not at the juncture of the peninsula of Florida and the main land of the United States. It's similar in that the land meets the sea where the docks are, but the essence of the problem is totally different in terms of how we approach the market, how we deal with the user community, and what it is we have to say to the consignees and to the people who provide transportation.

Dick Landis

My reason for asking is that I try to tell people in transportation that it really has to be locally designed because there is no magic formula that we're going to apply that works here in Philadelphia, and that works in Bentonville, Arkansas, or Phoenix, Arizona. Each one of them has their own needs, problems, and challenges. That's been one of the real challenges that Kevin and a number of you have had as you do your development planning and building to meet local needs. One of the things I don't think we're going to end up with is a formula that you can take everywhere you go.

Paul DeMariano

Steve will tell you this from his own experience that when WalMart decided to enter the theater in Savannah by creating a WalMart distribution facility, it tilted the playing field incredibly with Savannah suddenly becoming a huge sucking sound. You had to call Savannah if you expected to access the WalMart facility at Savannah. When that decision was made, we were jumping



around like desperate people in Jacksonville because the Japanese consortium and the United States lines made a decision based on that. A lot of things happened. I see my old colleague, Tony Vasil here who used to represent us in New York City, and he was on the phone three times a day asking: *What do I tell these people?* There's nothing in Jacksonville like the WalMart magnet in Savannah. Things like that happen, and the playing field changes dramatically.

Dick Landis

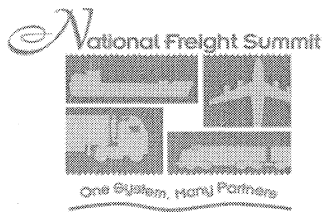
As Ted Dahlburg put the program together, you will see that there are a couple of other participants who were due to be here, but unfortunately could not. I think the flu bug is on the attack these days. I think that's an appropriate segue for me to ask Steve to explain what he's doing in Savannah. I'm pleased that Steve could make it. I think he adds a great deal to the discussion when you sit and realize what his corporation is faced with and how the transportation system is so critical to it. One of my former bosses, Tom Larson from Pennsylvania, was the Federal Highway Administrator. Tom once came back from a hearing with Sam Walton, the UPS guy, the FedEx guy, and a whole group of others and talked about what it meant for Arkansas to have a good transportation system. I think that underlines where Steve is right now because without it, it can't survive.

Steven W. Robinson, Director of Corporate Traffic, WalMart

Thanks, Dick. First, let me thank the Delaware Valley Regional Planning Commission, I appreciate the invite, and our sponsors, the US DOT. This is actually something quite different for WalMart. I guess we've been noticeably absent from the public forum. Even though we're a large organization, we still perceive ourselves to be small and basically take the approach that we're the number three player and have to try just a little harder.

I'd like to talk about our operations and logistics challenges. What we do today is handle a fantastic mission and at the heart is managing relationships. We currently have vendor relationships with over 100,000 global manufacturers and our mission is to source product. When you think about planning, forecasting, and organization, how do you plan in January to have the hottest toy in America into the hands of every kid by Christmas? It's amazing. The customer votes through the simple power of choice what your priorities are going to be and you don't really understand that until later in the year. Logistically, our mission is to have viable relationships with lots of people. We tend to focus on those providers that can help us manage, understand, and convey information to other actors in that area.

At WalMart, we're sourcing approximately a million truckloads a year inbound to our WalMart distribution centers, about 2.5 million LTL (less-than-truckload) shipments, and well over 15 million small parcel shipments. That's inbound to our WalMart distribution centers, Sam's distribution centers, Sam's Clubs, WalMart stores, from over 100,000 individual shipping sites, both domestically and internationally. I'd say that we're somewhere in the upper end of what you



would call large shippers. Basically, we have 40 distribution centers domestically. Those are comprised of our regional distribution centers, seven grocery distribution centers, import/export distribution centers, and fashion distribution centers as well. So, we've got a variety of different destinations for those shipments.

When I think of what we do that relates to safety, we are first a community-based organization. All WalMart stores aspire to be not necessarily the best retailer in your communities, but quite frankly the best community citizen. Our focus is very much on safety at the store level. We happen to have, as part of our transportation arsenal, the largest private fleet in the country. We've got over 4,000 drivers, 4,000 tractors, and 23,000 pieces of trailing equipment. We will drive in excess of 428 million miles this year. That's better than a million miles a day. We're going to spend a lot of time with you and your families out on the highway, so when we talk about safety and infrastructure, the fleet has perhaps the highest visibility and the highest exposure. We're very proud of that organization. We hire the best drivers. Our driver retention we think is second to none. We have a 4% turnover rate annually and what we find is that experienced drivers tend to be the best value for us. Our drivers typically have between 15 and 20 years experience.

It's not easy to become a WalMart driver. You've got to have over 300,000 miles over the road, no preventable accidents within the last three years, and certainly no fatalities. We think they are some of the premiere folks out on the road today. So, safety is important. If you keep score of preventable accidents to million miles of travel, our WalMart fleet basically has about one preventable accident for every 1.6 million miles of travel. We think that's fairly impressive.

Technology. When you look at the size of the mission and the scope and the nature of the mission, we have found that there are two competitive advantages that we think we have in our particular industry. First is certainly logistics. Our capacity to source product and move product quickly through our various supplier chains has differentiated us from our competitors and been the platform to grow.

The second piece is information technologies. We have invested a considerable amount of money, in excess of \$5 billion annually, in information technologies. Technology continues to be a place where we find strategic advantage.

On the transportation side, we're kind of a Johnny-come-lately. When you think about what WalMart does, our core competency is buying and selling merchandise. We've got other support functions like transportation, but we're a fairly recent player in transportation technology. We've purchased on-board computers recently. We revamped our dispatch system with some in-house proprietary systems development, and we've purchased some dock automation type products for our LTL network.

Why am I here? I try to pick two or three things annually that have very little to do with my day-to-day operating responsibility and I think are going to be beneficial. So, I'm basically here to learn a lot more about what your planning process is. I heard it mentioned earlier this morning that the private sector should be here and should be participating. First, because they use it. I use it. And second, because they pay for it. I think we pay for it, too. So, I'll be here to lend some perspective and I think I'll probably learn a lot through this forum. Again, I'm very pleased to be here.

Dick Landis

I appreciate that. Let me ask a question. Do you have a sense of what the breakdown is of highway to maritime to air freight? Do you use all of these?

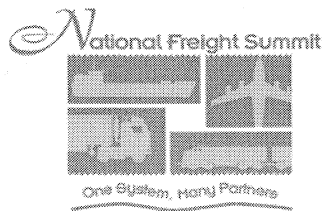
Steve Robinson

Yes, we use all modes. We currently are 60 percent truckload. We're about 30 percent LTL. The balance of 10 percent is distributed among the other modes. We tend to consume a tremendous amount of maritime, but we've chosen to allow our vendors to handle that on a pre-paid basis. I can't tell you exactly what those dollar figures are. This is probably real important; we've not been very active in the intermodal community. The needs of our organization suggest that we place a very high value on transit time and lead time. From an inventory perspective, we pay a huge penalty for delays in the transportation pipeline. For instance, last year, we took over a billion dollars out of our inventory by accelerating shipments through our pipeline. This year, we have an equally aggressive goal of taking another billion dollars out of our inventories. Overall, from a supply chain perspective, we pay huge penalties for owning inventory unnecessarily to support extra lead-time or any inefficiencies in the supply chain process.

I'll cite computer technology. We sell a lot of PC's (personal computers) and software, and computers depreciate at a rate of \$5 a day. When you think about the inventory ownership and the fact that your capital isn't really operating for you where it can be the most effective, you think about the penalty of high depreciation on certain commodities and the impact at what we call store level that potentially a customer would walk into a WalMart store and find that the product that they came to buy isn't really there. So, we pay huge penalties for excess time in transit. Based on that, our historical perspective has been, *Let's come to intermodal slowly and understand where it appropriately fits our business.*

Dick Landis

You really have made true meaning out of the fact that our nation's highways and the transportation system are now the warehouses of the country. A lot of your goods are in transit and not in warehouses some place, but they're out on the highway.



Let me go over here and ask Frank to respond to the same issue. I think you have a series of other issues, although some of the fundamentals are the same.

Frank Venezia, President, Venezia Transport Service

I'm really happy to be here today representing my family and business and the Pennsylvania Motor Truck Association. There are 350,000 trucking companies. Eighty-two percent of them have six trucks or less. So, there are an awful lot of trucking companies out there that are Mom and Pop. I don't care how big the Don Schneiders of the world are, and the J.B. Hunts and everyone else. They usually start with one entrepreneur with one truck. I'm really proud of our industry.

Safety is a really big part of what we're trying to accomplish. Being a small family business, we have seven people in our safety department with a half a million dollar budget. That's a lot of money to invest into our company, and it's really paid off. In the last ten years, every single year, our insurance costs have gone down because of our safety records. I'm here today to tell you that no matter how big the trucking companies are, safety is really an important part of what we're trying to accomplish.

For every 15 applicants we have for drivers, we only hire one driver. There's an awful lot of people out there, calling and wanting to be a truck driver. Most people think that it's easy to drive a truck, but it's really a very tough position. It's a tough job, and they're very much underpaid. It's our biggest problem. Steve will tell you that to get good truck drivers is really tough, especially in the Northeast. I was telling Bill Stevenson (of the Pennsylvania Motor Truck Association) that I bet you can go into any high school and ask who wants to be a truck driver and you won't get anybody to raise their hand.

In the last ten years, we've increased about 41 percent in the mileage that we cover and our fatality rate has dropped about 40 percent. So, we're doing a really good job of trying to curb that and that goes in with the partnerships. Small trucking companies need help and we need to belong to organizations like the Pennsylvania Motor Truck Association to get help and to band together and to use resources to accomplish these things.

Technology is really a big deal because we want these trucks not to have to stop so often. Communications between the drivers and the dispatchers makes the drivers more of an integral part of the process and they feel better about it, too. Drivers like on-board computers, and they like to know that they're putting input directly into the system. It's very beneficial to moving freight a whole lot better. Thank you.



Dick Landis

I want to go to Kevin now for the federal perspective. Each of these people have outlined where they are players in the transportation system. There are a number of things underway. Obviously, reauthorization is key. That was one of the points that the Secretary made yesterday. There are some very critical, tough decisions yet to be made that are going to impact all of this and everybody up here on this stage to one level or another. I'd like to turn it over to Kevin.

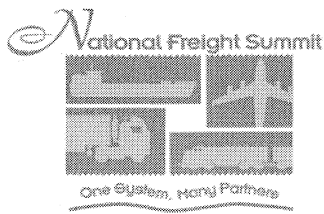
Kevin E. Heanue, Director, Office of Environment and Planning, FHWA

Thanks, Dick. I was puzzled as to how to approach this assignment, but I guess what I'm going to try to do is talk about my business which is managing federal programs. The programs were enacted by the Congress, and then we carry out that assignment. Our assignment for six years has been managing ISTEA. My take there is really going to be the intermodal in the title and the program areas, and to give you a sense of what we tried to do with it.

Let's drop back six years. For thirty plus years, our main assignment was to complete the interstate system. Enacted in 1956— 43,000 miles—that job was done. We're very proud of that accomplishment, being able, in that time frame, to put that number of miles of high quality, new facilities on the ground, hopefully with care and sensitivity. With the National Environmental Policy Act coming in the late 60's, the ground rules kept changing. Again, we are proud we were able to accomplish that.

Through the late 1980's, as that period was coming to an end, the question was, *What shall the post-interstate surface transportation programs be?* The highway and transit programs had been coming closer and closer together. The question was seriously asked if the federal government should get out of the business. Was there a need for a federal surface transportation presence to program investment? The industry came on very strongly at that point in time saying, *We can't cope with 50 state programs.* Fifty state programs don't make a national program, if we're trying to operate national businesses. We need some standards and consistency in investment and the product in terms of the roadways that are out there. I've got to say it wasn't debated for very long whether there should be a federal program, and the administration that Dick served in and then the Congress came together with very similar proposals.

The centerpiece on the highway side was the National Highway System. Marry the best features of the old Primary System and the Interstate Program, but with more flexibility for the states. The Surface Transportation Program was more like a block grant, conceived with less of a federal presence. With the Bridge Program, the feeling was that bridges were still a unique enough problem in the country that deserved special funding. I should mention under the National Highway System the intermodal connectors, a key component that's coming on more strongly. And there has been a real shot in the arm for the Intelligent Transportation Systems, an idea that was just in the conceptual stages, and Congress jumped on board and gave a significant



infusion of money in ISTEA. A strengthened role for planning and MPOs is a way of making it all work.

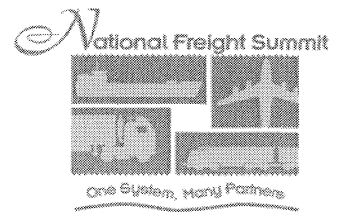
Now, for the last year, we've been asking ourselves: *This six-year experiment in the post-interstate surface transportation program: has it worked, or should we go back to the drawing boards as we did in the late 80's and conceive of a new program?* And I think, as John Horsley described this morning, we had quite an outreach asking how ISTEA had worked and what changes were required and the message was: *Tune it, don't toss it.* It actually has been a very successful program that needs some fine tuning, but substantively we should move ahead with the same basic program structure.

The issues have been the total dollars put into the program and the share of the dollars apportioned and allocated to each state. That's what the Congress has been debating for most of this year, total dollars tied into the deficit reduction issue and the state share, the donor/donee question. Some states feel that for too long they've been contributing more than they get back. Everyone recognizes that states like the Dakotas, Idaho, and Nevada are always going to have to be subsidized. We're not going to have cross-country highways that the people of those states have to pay for. They need help from the other, more intensely developed states. The question is how much those subsidizing states should yield to create a national program. That's the issue that's going to be debated now as Congress reconvenes.

Let me get back and focus on the key intermodal features. I have to confess that the intermodal did not come from the administration in 1990. The intermodal stamp was put on it by the Congress and the House Public Works Committee. The Senate dominated many aspects of the ISTEA bill, but the House put the intermodal stamp and title on it, and wrote it consistently into programs. First off, in an area I work in, planning, it called for intermodal planning. States had historically done highway plans, and they had moved into the transit area, but there was a mandate to develop for the first time intermodal plans, intermodal management systems, and to inventory the intermodal facilities across the states. In order to do that, they had to really inventory the businesses in the state, look at their needs, and look at their transportation requirements and what systems they were using.

I think that resulted in an enormous change in perspective from managing physical plant and inventorying highway and transit systems, to deciding what had to be invested to bring them up to standards or to add a new system like the Interstate System to the base. Challenging state officials to look at intermodal systems and their functioning for the first time brought a whole new perspective to transportation and state government.

The same thing really happened at the metropolitan level with the MPOs taking on the same assignment from the Congress to develop multi-modal plans at the metropolitan level. We have



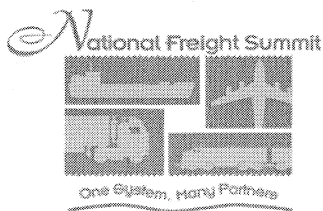
a few good examples at the state and metropolitan levels of intermodal planning prior to ISTEA. There were leaders out there. I think now we have many outstanding examples of intermodal planning and there's a base level taking place in every metropolitan area. Every state is in the business of intermodal planning, trying to understand the issue, stay on top of it, and reach out to industry to help do the job. It's not a job that can be done within the public sector. We can manage the physical plant, but to talk intermodal means an outreach.

It means a mechanism for interacting with industry to do that job effectively. I know you heard this morning about intermodal planning in the Philadelphia area. It just so happens as I was preparing my notes last week, I was in Toledo, Ohio at an all-day transportation summit. There were one hundred sixty business, civic leaders, and elected officials there. It was the fifth annual transportation summit, with full involvement and engagement. The group has a nomination process for serving on the MPO committees for the next year. A sponsor had to get up and make a presentation for every nominee and then the candidates had to get up and, in effect, give a platform. Then, there was balloting, and the people selected for those committees did the work with the MPO. Working committees of business and civic leaders working with the planners put together the basic investment plans for the region. By that, I mean the Transportation Improvement Program, the investment plan for the area which was then later ratified by elected officials. I was told it was rarely changed. They had examples of the railroad plans on the walls; they were involved in the railroad mergers, railroad abandonments, ultimate uses of the facility, and railroad grade crossings. They had an involvement in every aspect of the intermodal business.

As I said, that's what I would consider an outstanding example. We did a survey recently. Ninety-three percent of the MPOs can identify a defined outreach to industry through a freight committee, a business committee, or so forth. And when you realize you've got a lot of MPOs that are down right at the 50,000 population level and aren't as sophisticated, I think that's an excellent showing.

I want to talk a bit about the National Highway System and the intermodal connectors. I was very involved in the development of the National Highway System. We took maps to the AASHTO meeting that Dick was at. For four years in a row, there was a lot of give and take trying to define an equitable system of highways that would constitute the National Highway System.

Congress added the intermodal connectors. Those weren't on our early maps, so after we developed the first maps to submit to the Congress, we asked them for more time on the intermodal connectors. We didn't have a lot of time to do that job; I think they gave us six months. We knew it would take more time to do that job well. It was really enlightening because the job took on more aspects than we realized. Many of these links are what I call



orphan links. They were not on state highway systems. The states tend to develop statewide maps that provide interconnectivity. They were very lean on spurs out to intermodal facilities and the states didn't want to claim responsibility for investing in those linkages. They often ended up in the jurisdiction of a local government that didn't want to invest in them either, particularly if the facility was in another jurisdiction.

You've heard of our new Administrator, General Wykle. He has made it his number one priority to jump on those intermodal connectors, and stay on top of them till we have inventoried them all, assessed their condition, and worked with the states to see if we can't upgrade their status nationally.

We still have work to do on the National Highway System. The map is out there. The states, though, really have not embraced it in an investment context. Tom Larson, our Administrator when the system was passed originally, used to talk about partnership for investment between the states and the federal government and the National Highway System. The American Association of State Highway and Transportation Officials has just appointed a Task Force to work with us. We want to see multi-state corridors evolve rather than projects. Projects aren't the economic engines that long, multi-state corridors consistent in high standards are. As conceived, the National Highway System holds the promise of making our 45,000 mile Interstate system a 160,000 mile system in 20 years. It's the mechanism for expanding the Interstate system and raising roads to the same standards.

Right now, I'd suggest we're in a period of laying the groundwork for future investment. The balance in the Highway Trust Fund is growing. I think we all have to be ready when the Congress lets it loose with solid plans for investment. Thank you.

Dick Landis

Thank you very much, Kevin. One of the points that Kevin is bringing up is that this reauthorization is going to take direction, leadership, and money. I don't mean to speak for the Secretary, but I mentioned that he laid out three goals yesterday. First was improvement of safety. The second one was a record level of investment in the infrastructure. Clearly, that's the spigot that Kevin is talking about and the need to be prepared for that is also critical. His third goal is common sense solutions to our transportation problems. There are lots of solutions out there and a lot of us who sit around and shake our heads and say, *That just doesn't make sense*. It's that common sense solution that seems to permeate into some of the areas that we're going to go. We'll come back and deal with the funding and talk more about the partnerships and how you view that. We would be very interested where you all find yourselves in relationships. Do you have the partnerships you need to carry on what is necessary to get your planning and your projects done?

III. TOWN MEETING—OPEN DISCUSSION

Serving as the culmination of the day's proceedings and discussions, this session permitted the National Freight Summit audience to interact with the Town Meeting panelists on topics such as innovative financing, ISTEA reauthorization, data sharing, safety, and labor.

Dick Landis

I've asked Don Shanis to come up and provide some MPO representation on stage. Paul and I were talking about Kevin's discussion of the highway system and how his maps have come together. Tying together the airports and the rail seem to be fairly straightforward. There are less problems than when we deal with the maritime end.

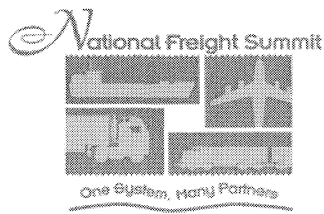
Paul was observing that in the port business, it is very uniquely competitive. The ports by their nature have been very protective, and are very jealous of what they have, what their facilities are, and what their information is. It is a bit of a problem when you start trying to tie them together. When I was at the Federal Highways, there were some huge competitive forces at play. Am I addressing that appropriately, Paul?

Paul DeMariano

I think you are. Those of us who have to deal in the port business all understand that we after all are competitors with one another. The thing that interests me about what I'm hearing here today is that, in the perfect world, there would be more of a seaport system because I hear Kevin discuss highway systems. Having once operated airports in my career, I know something about the federal approach to airport systems. We depend upon friends of ours with federal DOT and people who are involved with ISTEA to somehow translate down to the seaport level things which our competitive nature defy and that is the way for us to cooperate and really face the fact that there are probably too many seaports.

If you stop and think about it, you've got to remember that seaports are usually locally owned, publicly owned facilities. The assets belong to the city or to the state, or maybe to the port authority that was given those assets by legislative fiat when it formed the port agency. The highways and the runways at airports perhaps are not locally owned per se; in some cases, maybe, but in a lot of cases, no. So, you get into this turf issue.

How do you finally say to a city: *We're sorry, but you're out of the seaport business*. A city may decide it isn't out of it because it's going to hire a more aggressive port director, spend more on advertising, and do more to identify itself because they know they've got a wonderful seaport and it's a great place to do business. Well, is it? You really need a jury of totally objective peers to make that finding, or it's got to be federally controlled and there has to be somebody that's finally going to say: *Nope, sorry, you're wrong*. It's not as close to the trade lanes. It's not as



efficient. You don't have the state of the art. You need the technology and the things we're discussing here today.

This is going to require some ports to fall out. Canada does this. Canada makes these kinds of decisions. Some seaports are going to be funded. Some of them aren't going to be funded. If you're not funded, you can't keep pace. And if you can't keep pace, guess what? So, I am stimulated by the concept that I think I know how to put Philadelphia back into some business that we belong in and we're doing that. But, it isn't necessarily going to be focused on intermodal because that is so dependent upon technology and speed and just-in-time deliveries as Steve and the others point out. Our business has to be where the pertinency and the economic impact are on those of us who pay the taxes to own those docks and terminals. It's probably in break-bulk. Not to say that we don't pay attention to intermodalism. We certainly do. We are doing better in that area. But, you can't compare us to a Norfolk, Virginia. Norfolk is ideally located for intermodalism. We have to be mindful of that.

Dick Landis

On the one hand, you're saying it needs to be opened up so there's a new approach to thinking about some of this. Second, I hear you asking for some federal leadership, which is kind of unique right now when it's going the other way of: *Let's let the control be at the local level.* So, it is interesting and I thought it was appropriate for you all to have that in your quiver of knowledge.

Audience

The Port of Albany wanted to build a new warehouse to enhance their warehousing on the dock and wanted to use ISTEA funds to do it, and it was ruled ineligible. So, in a certain sense, the feds were out of the game, and it became a local decision anyway. So, maybe the relevance of a port should be left to the market if indeed now the feds are not involved, or at least not through the ISTEA mechanism. Who knows what the "Son of ISTEA" will bring. Maybe the feds shouldn't have the planning authority to say: *You're out of business.* Maybe the market, the world market, combined with the ability of local promoters to attract a particular commodity or basket of commodities is the most efficient mechanism to sort out whether a port will live or not.

Paul DeMariano

It seems to be working that way with us. We're not particularly troubled by that. It's working in our favor, but I can't help noticing some seaports and wondering if they're not scratching awful far to maintain relevancy.

Steven Gayle, Binghamton Metropolitan Transportation Study

This picks up on that thought, but it's broader. I'm an MPO director in Binghamton, New York, which is a small metro area, so it doesn't have the Philadelphia port issues. But, it occurs to me

listening to Kevin and you that, while with ISTEA it may have been ineligible to build warehouses, it certainly builds highway access to ports. So, MPOs can be put under pressure by a local government to provide better highway facilities to help maintain their port which may or may not be a competitive port. What I wanted to get at was the idea as we heard this morning from Dr. Gittings. As MPOs get better at talking to the private sector, we have drummed into us: *They don't share the same long range planning horizon.* As we get better, we get a lot of short range port issues; for example, *What do we need now to improve the NHS for better truck flows and better truck-rail intermodal?*

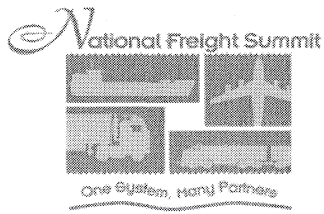
I'm wondering what we're missing and I'm not sure how we get at it. This is tossed out to all of you. The point was made at our national MPO conference that infrastructure investments are important. Infrastructure lasts a long time, maybe not as long as we would sometimes like it to last, but it lasts a long time when you make a decision to build an expressway or a bridge. We're pretty good at forecasting automobile travel, or we think so. But, are we missing and is there a way to capture longer range trends in freight movement? Are we going to miss an issue of bigger ships and fewer ports of call that are going to put ports out of business and obviate the need for improving highway facilities to ports? Are we going to miss something in 25 years where UPS is doing mag-lev into central city terminals instead of jets into congested airports? And then the shorter view users will come back and say: *Why didn't you figure this out?* I'm curious if any of you have thoughts on how we, on the planning side, can capture the longer range trends in freight issues that I think we're missing now.

Kevin Heanue

The whole structure of ISTEA is for state and local choice. Money comes by formula. There are requirements to do plans and to have a process by which financially constrained programs of projects come out so that it forces choices between competing options. But, there's no federal plan, no federal priority. That's all state and local. I think you heard from the Bureau of Transportation Statistics (BTS), and they're trying very hard to put together better information. We will probably contract for some work on national freight forecasting to help develop that picture. But, I don't think you want the federal government intruding very far into the business of where industry is going to go in 20 years.

Steve Robinson

To the point of how to find the best place to intersect with the private sector around the logistical issues, planning, forecasting, and collaborative relationships. About 30 days ago, I made a presentation to the Council of Logistics Management in Chicago. There was a collection of over 6,500 logistics practitioners, some from the public sector, a majority from the private sector, software providers, and academia. In five days, there was a thorough examination of the issues facing this area that we call integrative logistics. It is a wonderful organization to interface with. I would encourage those of you that have a need to glean, with some efficiency, these types of



issues and information to contact the Council of Logistics Management. They've got a wealth of research and data that they can share with you. It tends to be more global than the perspective of a WalMart or a larger shipper. It is the best source of information and contacts for networking.

Dick Landis

Steve hits on the partnerships. When I talk about partnerships, the traditional way of doing business between government and the private sector is through advisory committees. When I talk about partnerships, I'm not talking about advisory committees. I'm talking about people sitting at the table as equal partners making decisions about their own destiny. It's easier said than done and it is a switch. When you have advisory committees, that's what they are. They're still advisory. Government still walks away from the table with its nose in the air. This is a piece of what partnerships are. It's a combination of dialogue, a new kind of dialogue, and a formal partnership.

One of the things that strikes me about MPOs is that there are a lot of people out there who have no idea what you do. I've been on the other side of the table with the American Trucking Associations. There seems to be room for discussion on how the MPO community tells its partners what your roles are, and how that dialogue needs to fit in so that you can answer those 25-year questions.

William Keller, East-West Gateway Coordinating Council

Good afternoon. Bill Keller of the East-West Gateway Coordinating Council, the MPO for the St. Louis region. My question is related to some difficulty we have, and I think most MPOs have as well, in the area of data collection. We have to justify our TIP to our Board of Governors. We have to justify our investment in the infrastructure to the public, and in order to do that we need to have certain areas that are met and that includes the solid data that backs up any project we fund. The question for the folks on the table is: *How can proprietary data that is kept be exchanged, and how do data sources that can be exchanged remain protected within that environment?*

Dick Landis

This is a very appropriate question because it is absolutely real. Where I'm involved with it, we're now beginning to generate data as a result of ITS developments of various kinds. We're quite specific to the trucking industry. With that comes a level of skepticism that is acute and real on the part of some minds. It needs to be managed very carefully. The answers to what you are asking are not very well established yet. We're feeling our way through them. ITS-generated data really has some wonderful prospects for it in the long term. That is really the question that BTS is asking: *How can we tap this data source?* I began very quickly to defend it and I had to step back and say: *Wait a minute.* They really are asking this as a serious question and the way that it is intended to be used in planning purposes is not a threat to the proprietary

nature of the data. They're buttons with the industry. Does anybody among the panel have any experience with it?

Don Shanis

I would say that, as long as the partnership and the role of the MPO remain relevant, data will begin to flow in a sense that's productive. I think it's in WalMart's interest, for example, to tell the MPO what they do and how they do it, if we have any role in doing good things. We can help by building the right projects and an infrastructure that helps WalMart work. As people talk more and the comfort level emerges, partnerships will be there and the data will flow. This is probably round three of freight planning with ISTEA and subsequent reauthorizations. Now, there are certain types of data that may never flow, but they may not be needed to do the job of transportation planning at the regional level. We will do better. We just have to keep forging ahead and continuing to develop those partnerships. Beginning to talk is the starting point, then the trust follows.

Steve Robinson

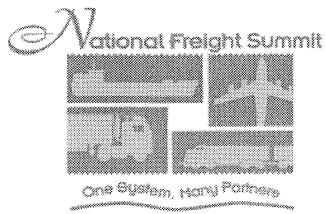
I think you make an excellent point: be in a position to articulate for private industry what data you might need or consume for your purposes, and specify what information you are looking for and what your uses are. That would allow us to be more efficient in how we share it. I'm not sure that some of the information that you might readily consume isn't already available through firms that produce not detail-specific data, but summary data, like the BTS, and also a tremendous number of freight payment firms, those intermediaries that reside alongside of certain industries that are a central repository for their transactional data. Firms like Cass Logistics and those types of firms offer a tremendous amount of data and usable information.

Tom Jensen

The interaction and the dialogue between the industry and the MPOs and the planning process is extremely critical for us as well. There's a huge project going on in my hometown of Columbus, Ohio which is going to have a dramatic impact on the way our vehicles move in and out of a pretty big metropolitan area in central Ohio. It was just one of these disconnects; maybe the process is too new since 1991. Open and free flow of information didn't exist to the detriment of both parties as far as I can tell because we need that connection and the MPO is really driving the whole process in this one project. Kevin, maybe you can add some insight into the lack of disconnect of the dialogue since 1991 or even before then.

Kevin Heanue

I think the dialogue has improved. It's still not perfect, but I think the business input has certainly improved significantly since ISTEA.



Dick Landis

Let me make an observation. We've hit on technology several times here. In the time frame of 20 to 25 years from now, technologically generated data will be far more superior and advanced than we can imagine today, assuming we continue on the trend we've been going on. We are at a very interesting stage of development of ITS, and with that comes all of the fears, skepticism, and questioning of the validity of the data, how it's going to be used, the Big Brother argument, and everything else.

What I've been suggesting to a number of people is that technology needs to be used, but the data needs to be handled very carefully and protected, and that we are in an incremental stage. There are those who want to deploy technologies now and demand all of the data today. I deal with people at the state level who say: *If you're going to have any kind of a monitoring system on the highway, I want and intend to get all of that data and use it in my program.* You can use the data a lot of different ways. That's where the problem seems to come in. We've got to do this incrementally to get people comfortable with the advancing levels of data as it comes around, its validity, and that you're not going to abuse it. It's a very delicate stage for all of us who are ultimately going to be data dependent as ITS moves forward. That's a real concern.

Bill Stevenson, Philadelphia/Delaware Valley Chapter, Pennsylvania's Motor Truck Association

I'm very much concerned with urban gridlock. About a year ago, our association, the Pennsylvania Motor Truck Association, had a meeting where we discussed the future. John Coscia, from the Philadelphia MPO, said we were going to be in fatal gridlock in 10 years. I don't know how many of you drove in from the suburbs this morning. It took me an hour to come into town and it's a 12 to 15 mile trip.

The point that I'm making is that the federal highway dollars have to come to the urban markets. There's a fellow in this room right now who's going to be bringing a lot more trucks into the city, and that shipping business that's coming into the city is going to bring a lot more trucks. If a metropolitan planning organization doesn't focus its attention, and the state DOTs, on the urban markets, we're going to be in real trouble. You're not going to be able to move people or goods. When Mayor Rendell talked about exodus, we're going to have more exoduses as a result. Has everybody heard about FastShip? That's going to bring a lot of trucks to Philadelphia ports. If the MPO doesn't pay attention to that, we're going to be in deep trouble. I bet it's the same problem in every major city in the country.

Paul DeMariano

I'd like to start with a confession. Some time ago, I disdained planning, personally as a port manager. From my alma mater, we were proud of saying: *We're doers, not planners.* My confession revolves around the point that I think the doing declines as capital declines and

planning becomes much more important. My theory is that the MPO is very helpful in the process today, and especially where you see a decline in capital that's available to seaports. At the end of the day the planner is more pure of heart and tends to be more objective than the definitively competitive, entrepreneurial seaport or terminal operator. The American Association of Port Authorities—I saw Melissa Grimm here a little while ago, she's one of our lobbyists—had the position that the ISTEA equation had to include more activity at the MPO level. Ports needed to have more of a dialogue or forum through that process than we felt we could practically get by not having the MPO more directly involved on our behalf.

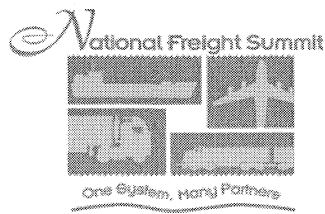
I'm a convert to this. I absolutely see, especially here, where we've been driven into more partnering and more utilization of planners, strategic planners, and trained planners, in getting where we're trying to go, which is more than our credibility as a port operator would allow us to go without that. Just recently, with the purchase of the Conrail assets, we had a partnering opportunity with our belt line operators, people in the city who understand rail, and people who worked with us on behalf of the city and the MPO. We had to form a wedge and drive right into the middle of the Surface Transportation Board. I guess what I'm really saying is that the MPO and the partnership situation that we found ourselves in by necessity was really a key to some of the success we've had here in Philadelphia lately. I'm not surprised to hear the gentleman's comments. The planners had better be more vocal and we need to push to make them more vocal because we're so anxious to have the freight and the cargo. The freight's really here. We need somebody else to say the freight's really here. And we've got to plan more efficient roads and more efficient intermodal rail connections.

Dick Landis

In my mind, it all comes down to: *Is it going to be the truckload of goods that you and I enjoy everyday on the road, or is it going to be John and Martha and the three kids?* It's going to be that competitive factor of who's going to be on that highway, and who's going to share it and when. Those are going to be some tough decisions.

Jeff Sutch, SMS Rail Lines

Thank you. I'm Jeff Sutch with SMS and Penn Jersey Rail Lines. Looking over the program we've had today, John Vickerman and others talked about larger ships, the need for landside access, larger port facilities, larger highways, and congestion mitigation, and we've talked about different venues for funding these major capital infrastructure expenses. It seems to me that whatever venues we use, when we talk about public-private partnership, funding through ISTEA, NEXTEA, or whatever it's going to be, we've left out one part of the equation. We can't pave our way out of congestion. As a person who has spent his whole career in the railroad industry, when you talk about funding for railroad infrastructure or landside access for highways, railroad infrastructure is the last thing on the list. No one wants to talk about trying to upgrade the railroad infrastructure into and out of urban areas to try and mitigate the traffic congestion that's



coming, and there are a lot of personal reasons. Now, if we want a level playing field, we're all going to have to look at ways at helping railroads to fund some of these major infrastructure projects which are going to go hand in hand with the upgrade of port access and the upgrade of highway access. We do it for the airports. Rail has to be part of the ISTEA funding mix.

Tom Jensen

I understand and respect your point, sir. The irony of the rub between the rail and the trucks is that we're the largest customer of the rails. Yet, we fight like cats and dogs for funding and everything else. Are these grounds where there could be mutual interests? I would like to think so. It's the parochial interests that have prevailed. The history goes back a long ways.

Jeff Sutch

One follow-up question. Our state DOTs in New Jersey and Pennsylvania have rail freight assistance programs for Class II and Class III rail lines. We've fought for the last couple of years and believe that the reauthorization is a perfect way to help the state DOTs fund these projects which are a real asset for various communities. Short line operators are not funded as well as Class I organizations. It just gets pushed back and overlooked. We have to open up the whole playing field. If it's going to be seamless, let's make it truly seamless.

Joel Palley, Federal Railroad Administration

Hi, I'm Joel Palley with the U.S. Department of Transportation, Washington. I agree with the points you've made and hopefully the new legislation will give more flexibility so that local MPOs can include rail projects where they will get trucks off the roads. We're talking about through-traffic. One of the diagrams this morning distinguished through-traffic from local traffic. If the traffic going all the way from the South to the Northeast on I-95 can go off the highways and onto rail, that's going to help Philadelphia's day-to-day congestion. If you can improve the access to intermodal yards so that more of the traffic will go on railroad between the major cities, that's certainly beneficial and should be encouraged.

A question I have has to do with partnerships in terms of rail freight data. Given that we're going to fewer and fewer larger railroads and given the confidential problem of data availability, if you only have a couple of railroads, the competitor will know what their competitor's freight is. I think the MPOs are going to need cooperation from those private sector companies that are being served in their areas whether they be UPS, or WalMart, or what have you. Granted, the MPO should narrowly define exactly what it needs and why it needs it. Not just a blanket: *Give me everything you have*. And the MPO must provide assurances that whatever is published in reports will be aggregated to such a level that it won't reveal any confidentialities to the public. Some of the potentially confidential data could be used in running models in a more disaggregated fashion, because some of the national data, even though it's available at the regional level, is, in many cases, sample data. In many cases, it's not as current as what would be

available from some of these private sector companies. So, this kind of partnership would be really essential to the MPO to be able to analyze what the problems are and help the shippers solve their problems.

Bill Stevenson

Your comment about getting the trucks off the road and diverting the freight to the railroads is sort of shocking because trucks only represent four to six percent depending on the area of the total traffic on the roadway. What you have to do is get the passengers in single automobiles off the highways because 85 percent of the factories in this country are served by truck because there are no rail sidings. How many WalMart stores have a rail siding?

Randy Evans, CSX Transportation

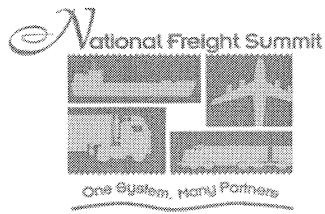
I want to get back on the railroad question just to be the devil's advocate. My name is Randy Evans. I work with CSX Transportation. I guess I'd direct this more to the representatives of the U.S. DOT. The devil's advocate question is: *Why should the railroads be involved at all?* The fundamental paradigm of the railroads is very different. This morning, Keith Chase said you ought to be involved because you're paying for it. Well yes, we're paying for the highway infrastructure, but we're also paying for the railroad infrastructure. The capital investment that is required is a big step function. Historically, the railroads have been very happy to not be involved. In fact, with the Staggers Act, there would not be a rail freight industry in this country were it not for the deregulation and the federal government getting out of the incessant approvals of every activity of the railroads. There is a revealed wisdom within the industry: *Don't get close to those guys.* Only bad things can happen. And especially when the paradigm that the State DOT and the federal DOT highway planners have, a universal highway network where everybody has access to all locations, is fundamentally different than the railroads who have the high capital costs to build and own their franchises. So, that's the devil's advocate question: *Why should the railroads be involved?*

Audience

From a local standpoint of trying to respond to that, you are involved already and there's no way you can become uninvolved because there are many railroad bridges over highways and we have a devil of a time getting the railroads to respond to repairs of those bridges that, by law, are theirs to take care of. You are involved because of history.

Audience

I'm going to indicate at least four parties that I think have a reason to be involved. Rail, truckers, those that are caught in gridlock, and everybody else that lives in these metro areas have a stake in rail. The carriers and shippers must all get to the table whether it's the merger that you're embarking on right now, or the mergers that have taken place on the rail lines out west. What is happening as you wring every ounce of efficiency and you increase the number of longer trains



that you move through cities, you're blocking more and more intersections longer, and you're backing up traffic longer at key intersections in metro areas.

At the same time, more vehicle miles traveled are congesting the roads, either blocking trucks or truckers blocking passengers, and gridlock is emerging across many metro areas as a major challenge. It's impeding business, so we can't tolerate that mess. All of us have to come to the table and craft solutions. The traditional rivalry that has said rail's perspective is: *Truckers, you're investing in the road system; have at it. We take care of all of our capital needs ourselves.* It isn't as simple as that anymore because of the mess we're facing in congestion. So, we all have a stake in solving it, but it isn't going to be easy as is obvious between the tension whenever these questions are raised because of turf. Remember John Vickerman's presentation on the tremendous volume of increased loads of freight that are going to be carried by trucks and rail coming in from abroad? You can't get that pig through the python unless you solve some of the congestion along the way. So, I think we're all going to have to get to the table, roll up our sleeves, and forget some of our previous turf.

Randy Evans

I asked the question to be provocative on purpose because I do think there needs to be a major pitch made to the railroads about why they should be involved. I gave you all the historical reasons why they haven't been. The history is a scarred one so far. I happen to believe that; that's why I am here today. There's a case that has to be made, and it has to be made understanding the fundamental differences about the freight railroad industry, and how it is organized, financed, and different than the Interstate Highway mentality.

Dick Landis

In a perfect world, where we can sit down and really have the partnership dialogue, it's nice. But, the reality is that differences do exist regionally as well as organizationally. There is a need to lead the partnership and process along in the planning business. The minute you get halfway down the road with a good plan, something comes along and hits the headlines and changes the priorities either at the DOT or within your own organization, and then you're responding in a defensive mode to what's going on. I'll use the railroads as an example. There's a pretty serious situation right now with a backlog of freight, and some things are driving other things within the industry. The problems move around, and they change our planning process and divert attention.

Kelvin MacKavanagh, CSX Transportation

I'm Kelvin MacKavanagh with CSX Transportation. I want to get back to Bill Stevenson's question about gridlock. I've got a question for Steve Robinson. Steve, I've seen a couple of your big distribution centers which are close to metropolitan areas, but really not as close as you might expect. I'm thinking particularly of one you've got in Sharon Springs, New York, another one outside of Laurens, South Carolina, both of which are towns I think a lot of people here have

probably never heard of. But, they've got good highway access and you seem to avoid a lot of urban congestion by being there, even though you may have to go a little further. Is this basically how you site the centers? What do you look for?

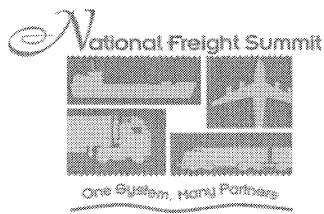
Steve Robinson

That is essentially what we look for. We tend to have a store base that is located in towns with 50,000 or less people. Our distribution centers are basically put right in the middle of that store support group. So, what's unique about towns like Laurens, South Carolina and some of the others that you mentioned is that they are somewhere within a 180- or 200-mile radius of the stores that they will serve with a limitation being throughput capacity of that distribution center. That probably is the underlying premise through which we select: where we think the demographics will preclude themselves to support a good base of WalMart stores and where we need to be to be centrally located to support those WalMart stores. That's a key piece of our logistics formula.

I will share something. I want to keep a focus on the MPO side. It was mentioned earlier that we've opened facilities near Savannah: that's the Douglas, Georgia facilities. We will open an additional 20 distribution centers over the next ten years. They will be 1.2 million square foot facilities that will process 250,000 cartons a day and where we site select these facilities will change the transportation distribution footprint of those regional areas. What happens internally is that our real estate and construction division tends to be the interface for the MPO process. Unfortunately, just like other large organizations, they tend not to have all of the logistical understanding and/or information that they could bring to that relationship. So, it would be a real correction on our part to make sure that that particular group is reaching out to their MPOs and the communities where we are aggressively site selecting and providing input as to what we think the transportation distribution impacts are going to be.

Don Shanis

Let me cite for a moment a problem that I think we have at the regional planning commission that is a challenge to the freight community. We've done a good job of trying to get the freight community involved and I think they've responded well at the regional level of participation. But, what we've done in our long range planning, and the way a lot of projects are defined these days to be as intermodal as possible, is to develop wide corridors that contain all the roads and rails that go in the same general direction. We call that a project or a corridor and try to optimize across that spectrum. We try to bring all the stakeholders involved in that problem to the table and get them to discuss it and this leads to things like park 'n ride lots for passengers and it leads to using rail lines differently. But, what it tends to do over the long term, and where we might be headed with this, is to localize the transportation system. The stakeholders that appear the most frequently are the ones that live there and they are the ones are at the table. Over the next 10 to 20 years, there may be a tendency to lose the ability to go from the A to B in a long sense



because communities want traffic calming in their neighborhood. They want to make sure that we don't do this and we don't do that. So, we may end up with bikeways and good pedestrian systems, and this may lead to a lot of good things.

But, the trucks and the rails are getting sort of pushed aside. We're trying to be sensitive to the issues of freight in that discussion, but the benefits to the freight community are distributed beyond the corridor and the ones that should really be speaking up for that are not there. You can see why they're not there. It's only a small benefit in a much bigger system. So, in a way, even though we're very clever at some of this intermodal kind of thinking, we may be defeating ourselves in being able to develop a system. I think the States have been giving the MPOs a lot of the responsibility for doing the roads because they're not able to solve the problem of going through that local community. This system works in getting it intermodal and getting some of the problems solved but freight may get pushed aside. And I think that to the degree that there are rail facilities in the corridor and that the rail community that has a facility there can come and offer creative solutions that combine both passenger and freight at the same time and become part of that optimization process, the better off it will be. We're not that far along yet to do that. I present that as a problem.

Dick Landis

Don, I want you to go back to the safety question we raised early in the discussion. Everybody places safety at the top of their list. The Secretary always has it at the top of his list. I think all of us who give speeches in public arenas always start off with: *Safety's got to be the first priority in the transportation system.* Is that first in the MPO process? We need to talk about where safety really fits.

Don Shanis

I think that safety has not been as important as it should have been at the MPO level. I think safety statistics are sometimes hidden from the public. They're not really put on the table, where the biggest accident locations are. We tend to look for more glamorous kinds of solutions. I think anytime we do get involved in a project, we make sure we try to solve the safety concern with it, but it doesn't necessarily get the top chunk of funding in what we prioritize.

Ted Thompson, New York State Department of Transportation

I can offer the perspective of being the MPO guy in New York DOT's safety management system development process and was charged with that very question: *How do you bring safety into the planning process?* I think the reality that we discovered across the 12 New York MPOs is that we couldn't get a handle on it; it was like nailing Jell-O to the wall. Every long range plan ranks safety as an important goal; it's right up there with Mom and apple pie. But, we couldn't get a handle on it for a lot of reasons including: deficiencies in accident reporting systems, and all the accident data in our state is not good, particularly off the state highway system. So, once

you get beyond that nice general goal, in my opinion, MPOs and local governments, in managing transportation investments, have had a very difficult time of figuring out how to make investments that will answer the safety goal that they put in this plan.

Audience

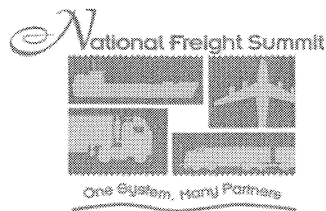
I'd like to ask Tom and Frank a question. Are there some things to do at the practical traffic level, for instance, for overnight express deliveries? I've heard frustration that you have to double-park in many downtown areas in order to make deliveries, and if the traffic design folks would make provisions for what is an ever growing presence every morning and every afternoon, it would expedite traffic flow and give you a legal way to park. And, Frank, there may be some turning movements and some signalization changes. Are there some practical changes that the private sector needs to feed city and state traffic designers that would make your life more manageable?

Tom Jensen

That would make our lives infinitely more manageable. It might put me out of a job, but, nevertheless, we have a tremendous problem. When you look at the delivery side for fleet operators in urban areas, one concern would be transportation restrictions and controls. That's a huge concern on the one hand. The day-to-day problem is how to park the vehicle in Midtown Manhattan and get up and down a couple of office buildings. We spend the day in there. We absorb a boat-load of tickets.

Not just in Midtown Manhattan. I just went through this in Lansing, Michigan. Lansing is the state capital, but it's not Chicago, New York, or LA; it's a relatively small community. And we're a good target, a big target. We've got some folks that like to follow around the brown vehicles and write tickets on them while our drivers are delivering packages every day. So, it's a tough question.

Here's potentially the solution, and what happened in Lansing. We were successful, not just UPS but some other fleet operators, in talking to the local parking and enforcement division of city government to say: *Hey, give us expanded parking zones, short-term zones, where we're absolved of our parking sins and we will get in and out of there and not abuse it.* They were very reasonable. But, we found that with many communities and municipalities, the larger they get the more offensive they are; there's less leeway and less willingness to work with us. Again, it's real easy to just jot the ticket down. We've got horror stories from years ago of getting ticketed on vehicles that weren't even on the road. They had old license plate numbers. They knew that vehicle X used to be on the road. So, someone decided to write a ticket on that vehicle that day when it was out of service. We've been through that. It's a nightmare. Do we have answers? Practical solutions? I don't know; we need them. Right now, we typically go in and negotiate down and eat as a cost of business being able to park, but we need to do that to get our



goods to their consignee and destination because somewhere a WalMart or a shipper is paying for that service and that's a tremendous problem for us.

Steve Robinson

I'd like to add that there's an entire fledgling industry that's waiting to hear what the solution to that process is going to be. It's non-store retailing. Every conversation anymore turns to the Internet. We just opened a new service we call WalMart Online. We have over 800,000 items you can buy from your PC and it's great. The issue is, however, that the current infrastructure doesn't support rapidly deploying and delivering anything that you might want to buy to your doorstep. And for the service providers, there's a diminished return on what happens there. I think you guys are handling packages up to 150 pounds, but what about that area slightly above 150 pounds? How's that going to get figured out? Potentially billions of dollars exist in express home delivery, non-store retailing concepts, via the Internet, catalogues, and what have you. Part of the solution hinders around solving that equation.

Frank Venezia

The infrastructure won't support larger trucks. We're up to 53-foot trailers now and they're pretty difficult to get around cities. We're talking about urban gridlock and eventually the goods have to go where people are. They have to get there in some manner. If you make the trucks bigger, the infrastructure won't handle it. I don't think that'll work. If you put them in smaller vehicles, you have more vehicles running around. That's a tough question. I don't think there's much that can be done to handle larger trucks.

Dick Landis

I'm aware of some meetings that have been held around the country with local planning agencies that have focused on signage and traveler information for CVO deliveries. They tend to relate to commercial centers. That seems to have helped. It's a beginning step. It's another area that I think ITS will have a significant impact on in the future, when you start relaying traveler information electronically to the driver, whether it's commercial or otherwise. That can change the landscape, also. But, it'll be important to make sure that these guys have input and that somebody listens to them.

Keith Chase, Gannett Fleming

I'd like to challenge the panel. It's the five-year reunion of this meeting. That is the extent of our planning horizon as we learned today; 2002, if I'm doing my math correctly. The freight transportation system in the United States has improved since 1997. Give two or three reasons what happened and why. I know it's a challenging question, but I'm trying to point toward some broad stroke kind of things in a strategic planning sense. Where do we need to be headed? So, it's 2002 and things have improved from a freight transportation perspective. Why?

Kevin Heanue

The scenario would be the one I closed with. There's an increasing balance in the Highway Trust Fund. One of these days, that will be unlocked and we'll be able to invest and, hopefully, we'll have good intermodal plans on the table to compete.

Just one point on competition after listening to the discussion here. The State DOTs, with their enormous needs, are at the table. They are the State process, and they're also at the table at the MPO process with their needs and long backlogs.

Just before lunch, I heard the comments about concern for non-traditional highway investments, like bike and pedestrian facilities, that are very popular and are going a long way to support the reauthorization of ISTEA. They will bring a lot of votes in the Congress. Probably the most successful group of working the MPO process is the bicycle interests. There has been an enormous increase in investment in bike-related facilities since ISTEA.

I'd like to emphasize what a long haul it is to get your investments on the table. You can't show up for the meeting where they're going to vote on projects and expect your project to go to the top of the list because there are people out there that have been waiting 8 to 10 years for their project to make it up. They're not going to see it pushed aside. You've really got to be in there for the long haul to work that process.

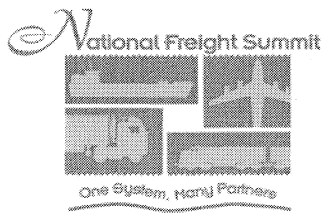
Tom Jensen

Five years from now, hopefully our technology will advance significantly, and I think that for the movement of freight, there are going to be dramatic increases in efficiency, safety, everything.

Dick Landis

There is no question that safety will have advanced significantly. I think we'll feel the impact of that throughout. My glib answer is that we will all be at the Winter Olympics in Salt Lake City and they will have completed this incredible reconstruction project that's underway now with every road under construction. That's long range planning.

The other thing is really based on the question of gridlock. The gridlock question is really more significant than we all realize because at some point in time the people we work for are going to stand up and say: *This is enough. This has got to change. Something is wrong. It's got to be fixed.* And it's going to be us that have to do it. The way that that is going to happen is with the dialogue that I'm talking about. People are going to have to sit down and make some really critical decisions. That may be well within that five-year time frame.



Steve Robinson

The gridlock issue is a good one. The other is capacity. One of the things that we're facing today is that we've been a slow entry into the intermodal market. Technically, you'd call us a shipper, but the reality is that we're a receiver of goods from a multitude of shippers. The shortage of truck capacity, and the current state of asset utilization and productivity in that industry, are going to mandate a greater participation in rail and intermodal transport by the WalMarts of the world.

The next issue is that technology will offer another order of magnitude and productivity and asset utilization for both rail and truck. Today, there are lots of rail and truck moves. However, there's a tremendous amount of incremental opportunity left for productivity and asset utilization. When you think about advances in information sharing, we will soon get to the point not where we have the answers, but where we can ask the intelligent questions, and then that will start dialogue around those strategies. So, gridlock, capacity, and certainly information.

Frank Venezia

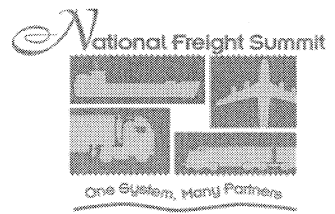
I'd like to see us get more cars off the road. I think we can make a lot of progress in utilizing mass transit a lot more than we are doing now. Most of the traffic is cars. I don't hear anybody talking about how we're going to address that problem. Maybe not in five years, but I see large parking areas in suburban areas and using mass transit to get around rather than having all of those automobiles.

Paul DeMariano

I'm just sort of a cynic in that I believe that if the objective is to agree when we'll get to the point where there's some solution, I say we're going to get there because we hit the wall and people who vote referenda, provide dollars for roads, and put the people in office that have to vote for bond issues and public capital, are going to absolutely put their foot down at some point and insist on relief. When it comes to their being inconvenienced, they're paying, and it's tax dollars. In my mind, it always comes back to: *Who's buying it, who controls those dollars, and will they put up with inconvenience?* I say they won't. I say that when the crunch hits, it's going to have to be an awful lot of phasing and planning of cargo moving, moving by road at night, and moving by rail at off-peak times. Grade crossings and other sensitive areas are going to be controlled by peak traffic times. It's the Thomas Hobbes school of planning. That's where I think it's going to go.

Don Shanis

I think most of the tools are out there. The creativity is out there. Even a lot of the capacity is out there on underutilized facilities. But, what's really required is the theme of the conference, to develop those partnerships in different ways, and to get the right people and the right combinations of people working on the issues, and solutions will emerge from the existing



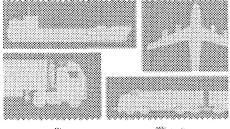
technology, some of the new technologies, and just using some of the resources differently. A lot of the focus has to be on these partnerships and how the institutions work and who's involved in them and where the creative minds are put into play.

Dick Landis

Let me have the last word on it and that is a better focus on truly moving the goods. You can sort through a whole lot of stuff if you really focus on what has to occur, and that is moving from Point A to Point B for a purpose, and it's a purpose that you and I and the consumer want.

I'm going to wind it off here. I want to thank each of the panel for being here, for being part of this discussion, and for offering what is some very wise input into the process. Don, thank you for inviting me and let me thank all of you for being here.

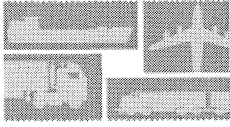
*N*ational Freight Summit



One System, Many Partners

Appendices

*N*ational Freight Summit



One System. Many Partners

A. DELAWARE VALLEY GOODS MOVEMENT TASK FORCE SERVICE AWARDS

At an Executive Breakfast at the National Freight Summit, the outstanding efforts of individuals who have made valuable and significant contributions to the success of the Delaware Valley Goods Movement Task Force were recognized. The committee was formed by the Pennsylvania Department of transportation and DVRPC in 1992 to address freight transportation issues in the Philadelphia region.



John J. Coscia, Executive Director of the Delaware Valley Regional Planning Commission (left) and Ridgeley P. Ware, Board Chairman, Delaware Valley Regional Planning Commission (seated) presented the service awards.



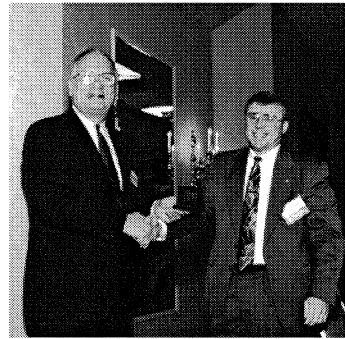
Kelvin L. MacKavanagh
 CSX Transportation
 Delaware Valley Goods Movement Task Force
 Long Range Plan Subcommittee Chair



James G. Cunningham
 PTL Transportation Services, Inc.
 Transportation Improvement Program Testimony



Anthony J. Gemma
 Roadway Express
 No-Zone Tractor- Trailer Demonstration



Gary R. Major
 United Parcel Service
 Business Card Drawing



Elizabeth A. Murphy
 Port of Philadelphia and Camden
 Freight Lines Data Bulletin



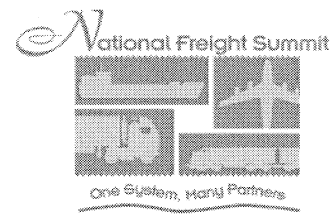
Theodore H. Matthews
 New Jersey Department of Transportation
 Intermodal Management System and Planning



Keith M. Chase
 Gannett-Fleming
 First Delaware Valley
 Goods Movement Task Force Co-Chair



Gary R. Shields
 Lukens, Inc.
 Delaware Valley Goods Movement Task Force
 Economics Subcommittee Chair



B. MODERATOR AND SPEAKER BIOGRAPHIES

1. Welcome and Statement of Summit Objectives

Distinguished leaders welcomed conference participants and outlined the objectives of the National Freight Summit.

John C. Horsley was appointed by President Clinton as the U.S. Department of Transportation's Deputy Assistant Secretary for Governmental Affairs in 1993. On November 3, 1997, Mr. Horsley was nominated for the position of Associate Deputy Secretary and Director, Office of Intermodalism to advocate for intermodal policies to improve freight efficiency, passenger convenience and encourage teamwork amongst all modes of transportation.

Mr. Horsley previously served five terms as county commissioner in Kitsap County, Washington, which is just west of Seattle.

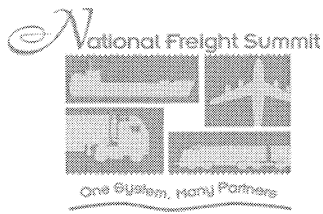
Mr. Horsley is a graduate of Harvard University, did graduate study at Georgetown University, and served both in the U.S. Army and the Peace Corps. He is a past president of the National Association of Counties and was the founding chairman of the Rebuild America Coalition.

The Honorable Edward G. Rendell became the 121st Mayor of the City of Philadelphia in January of 1992. Mayor Rendell has restored fiscal stability to a municipal government that was near bankruptcy and has brought new meaning to the term, "Reinventing Government."

Among Mayor Rendell's management and productivity initiatives are the following: new collective bargaining agreements were successfully negotiated with all of the City's nonuniformed workers and favorable arbitration awards with the City's uniformed workers were obtained; new revenue-generating initiatives have increased revenue collections without any increases in taxes; and 68 management and productivity initiatives designed to reduce expenditures by the government were successfully implemented.

Perhaps the cornerstone of the Rendell Administration has been the unprecedented "public-private partnership" that has grown between the City government and the local business community. This partnership led to the creation of the Mayor's Private Sector Task Force and corporate sponsorship for many City-related projects.

Mayor Rendell graduated from the University of Pennsylvania and Villanova Law School. Upon graduation, he joined the Philadelphia District Attorney's Office, and ultimately was promoted to Chief of Homicide in 1972. In 1977, Mayor Rendell ran for District Attorney and, after winning the general election, became the City's youngest District Attorney in history at 33 years of age.



Mayor Rendell has been active in many charitable and nonprofit endeavors, including The Visiting Nurse Association of Greater Philadelphia, The White-Williams Foundation, Soviet Jewry Council, Jewish Community Relations Council, and "Philly Kids Play It Safe."

John J. Coscia was appointed Executive Director of the Delaware Valley Regional Planning Commission in November 1980. As Executive Director, he supervises a professional staff of over 80 employees and oversees an annual operating budget of over \$10 million used for highway, public transit, airport, wastewater management, transportation-air quality, land use, environmental and housing planning for the nine-county bi-state Delaware Valley region. Mr. Coscia has worked at DVRPC since 1969. In 1972 he became director of environmental planning for the agency.

Coscia is a registered Professional Engineer with a Bachelor of Science Degree in Civil Engineering from Drexel University and a Master of Science in Civil Engineering from Villanova University. He has lectured at the Drexel, Villanova, and University of Pennsylvania graduate schools, and has also taught courses for the American Institute of Planners. He is also the recipient of the 1993 Carl T. Humphrey Memorial Award for Villanova University in recognition of his significant professional accomplishments. He is the author of numerous research articles and reports.

He is a member and former Director of the Philadelphia Section of the American Society of Civil Engineers, the American Planning Association, the American Water Works Association, and the Water Pollution Control Federation. He is also a member of Tau Beta Pi, the national engineering honor society and is presently President of the Engineers' Club of Philadelphia. He has been selected by his peers at the national level to be an elected member of the Executive Directors Council of the National Association of Regional Councils. He is active in a number of civic organizations and is past Chairman of the Whitemarsh Township Planning Commission. He is Chairman of the Board of the Water Resources Association of the Delaware River Basin.

2. Setting the Context

What are the primary trends and forces governing the flow of goods? Panelists considered the global economy, trade agreements, the US Commodity Flow Survey, and regional economies.

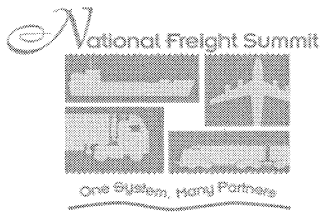
Keith M. Chase (Moderator) is Vice President of Gannett Fleming, Inc., and Manager of Transportation Planning and International Sections. He is responsible for overseeing the Planning, ITS, and Traffic Planning Groups, and provides management as well as specialized guidance/expertise on highway, airport, railroad, and intermodal projects. He develops and supervises transportation planning and engineering projects involving long-range multimodal transportation plans, conceptual design of both airport and rail transit systems, and highway design projects including high occupancy vehicle accommodations, traffic engineering studies, and travel demand forecasts. He also negotiates public/private partnerships and facilitates intergovernmental relations.

Prior to coming to Gannett Fleming, Mr. Chase was the Pennsylvania Department of Transportation's Deputy Secretary for Aviation, Rail, and Ports. In this capacity, he supervised the operation of state-owned airports and rail facilities, including Harrisburg International Airport and more than 100 miles of railroad short lines. He functioned as an informal Department freight liaison, assisting many carriers and shippers, and received recognition from companies like U.S. Steel for helping them meet their shipping needs. He also negotiated a public/private partnership with Conrail and the Canadian Pacific railroads to clear two cross-state rail lines for intermodal doublestack services.

Mr. Chase holds a B.A. in Political Science from the Pennsylvania State University and an M.P.A. with honors in Public Administration (also from Penn State). He received a special citation from the Aviation Council of Pennsylvania in recognition of dedication and service to the Aviation Community of Pennsylvania, and he was nominated for the AASHTO president's national award for intermodal innovation and leadership.

John Vickerman is a principal of Vickerman-Zachary-Miller (VZM), a division of TranSystems Corporation, an engineering/architectural firm which specializes in the planning and design of port and intermodal facilities. Under his leadership, VZM/TranSystems has become an internationally recognized firm known for providing innovative solutions to the many operational, planning and design issues which currently confront the transportation industry. Much of Mr. Vickerman's work focuses on assisting ports and shipping companies to recognize and prepare for future technological change.

As a specialist in intermodal terminal design, John has led VZM's work on major port projects throughout the United States. In the last several years, he has performed projects for the Ports in Seattle, Tacoma, Vancouver B.C., Portland, Oakland, San Francisco, Los Angeles and Long



Beach on the West Coast; New York/New Jersey, Baltimore, Delaware River, Miami, and Virginia on the East Coast.

He recently worked as Officer-in-Charge on a project for the Federal Highway Administration and the National Highway Institute where he was the principal instructor for a course entitled "Access for Intermodal Facilities."

John is both a licensed civil engineer and registered architect in many states and holds a Master's Degree in Structural Engineering from the University of California, Berkley. He has served on three major policy Committees of the Transportation Research Board of the National Research Council and also serves as Captain in the Civil Engineer Corps of the United States Navy Reserve.

Clifford R. Bragdon, Ph.D. is the Vice President of Advanced Technologies and Program Development for the National Aviation and Transportation Center, Long Island, New York. This includes administrative oversight for the Intermodal Transportation Simulation Systems (ITSS), the NAFTA Intermodal Transportation Institute, and Trans Tech Park. Prior to this he held the positions of Dean, School of Aviation and Transportation as well as the Director of Advanced Technologies and Continuing Education for the NAT Center. In 1993 Dr. Bragdon came to the NAT Center following a 22 year career at the Georgia Institute of Technology, Atlanta, Georgia. Over this time period he was in several academic and administrative positions, including Professor of City Planning and Head of the Sensory Spatial Systems Group, Assistant Dean, Associate Vice President, and Special Assistant, Office of the President.

Dr. Bragdon currently is Chair of the Aviation Consortium on Education and Training (ACET), which represents seven academic institutions throughout the United States along with several industry partners, and is also an Adjunct Professor at the School of Public Health, Emory University, Georgia Institute of Technology, and Auburn University. Recently, he was appointed to the National Academy of Science, Transportation Research Board, Advisory Committee for the Intelligent Transportation Systems. Dr. Bragdon also serves on four TRB Committees: Transportation Education, Transportation Simulation, Airport/Aircraft Compatibility, Transportation Environmental Impact, Waterborne and Ferry Committee.

Dr. Bragdon is also the United States representative to STAR (Specialized Training in Aeronautics and Research), and Vice Chairman. STAR is an international educational consortium consisting of 18 countries and supported by the European Commission (EC) and the European Union (EU). The United States headquarters for STAR USA is the NAT Center and Dr. Bragdon is Chairman of STAR USA. Dr. Bragdon also serves on the Opportunity Skyway Board of Directors. This organization has 33 affiliate schools, located in 16 states coast to coast.



Dr. Russell B. Capelle, Jr. is the Manager of Freight Data, the Bureau of Transportation Statistics, U.S. Department of Transportation (DC). He is involved in analyses, planning, and management of national freight databases such as the Truck Inventory and Use Survey and the Commodity Flow Survey.

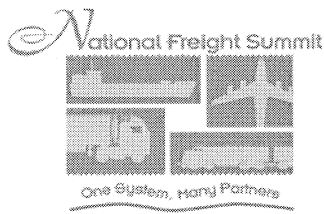
Prior to joining the Bureau of Transportation Statistics, Dr. Capelle was a Chief Transportation Planner with Boston MPO's Central Transportation Planning Staff, a principal with Transmode Consultants, and Director, Statistical Analysis Development, American Trucking Associations.

Dr. Capelle holds an A.B. in Geography from Dartmouth College, an A.M. in Urban/Economic Geography from Clark University, and a Ph.D. in Transportation/Economic Geography from the University of Pittsburgh. He is the author of over 50 journal articles (e.g., in Transportation Journal and Transportation Quarterly), reports, conference presentations, and books (Planning and Managing Intermodal Transportation Systems: A Guide to ISTEA Requirements).

Ted Hershberg is Professor of Public Policy and History and Director of the Center for Greater Philadelphia at the University of Pennsylvania, where he has taught since 1967. He served as Assistant to the Mayor (Philadelphia) for Strategic Planning and Policy Development during a leave from Penn (1984-5). He was a former Acting Dean of Penn's School of Public and Urban Policy (1983) and holds M.A. and Ph.D. degrees in American history from Stanford University and studied sociology at Columbia University as a Social Science Research Council Fellow.

Prof. Hershberg has had two careers at the University of Pennsylvania. From 1969 to 1981 he founded and directed the Philadelphia Social History Project, a cross-disciplinary research effort supported by 11 federal research grants that resulted in the publication of several books, over one hundred articles and papers, and sixteen doctoral dissertations in five disciplines. His writings analyzed Philadelphia's urban-industrial development and the experience of its diverse immigrant groups. He also authored the Philadelphia entry in the *World Book Encyclopedia*.

From 1981 to the present, Hershberg has pursued applied public policy with a focus on contemporary cities and regions. He founded the Center for Greater Philadelphia, whose mission is to promote regional cooperation among governments and the private sector in metropolitan Philadelphia. The Center serves as a neutral third-party convener and provides objective analysis and jargon-free reports on key public policy issues. In May, 1995, Prof. Hershberg's Center organized the *Call to Action Conference*, attended by 2,000 area business, civic, and political leaders.



3. The Customers Speak

The shipping community is the actual consumer of transportation services. Their unique perspectives were presented on logistics chains, productivity and profitability, just-in-time delivery, and transportation needs.

Len Zangwill (Moderator) is the Principal of Zangwill Associates, Inc., a consulting firm located in Wayne, PA. Prior to forming Zangwill Associates, Inc., Mr. Zangwill held positions with the Pennsylvania Transportation Institute and the Neighborhood Action Bureau.

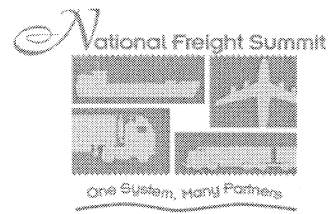
Mr. Zangwill has wide experience in educating audiences about the benefits of transportation initiatives. He serves as the key point of contact for a Community Information Center which was established for SEPTA's Mainline Bridge Project. He supervised the initial project proposal for what has become the North Philadelphia Transportation Center, an FTA-funded Livable Communities intermodal project. He was also on the project team which helped PennDOT establish guidance for issues concerning the intersection of trails and highways. Finally, he has appeared on local radio shows to discuss the role logistics is playing in enhancing companies' customer responsiveness. He has also been published in the Transportation Research record.

Mr. Zangwill is the Chairperson for the Publicity Committee of the Council of Logistics Management, Delaware Valley Roundtable and serves on the Delaware Valley Goods Movement Task Force. He is also an Associate Member of the Institute of Transportation Engineers and is affiliated with the North Penn Transportation Management Association.

Charles N. Beinkampen is a graduate of the Johns Hopkins University and the University of Richmond. His career at DuPont spans more than 30 years. He has held a variety of management positions in manufacturing, purchasing, and logistics both in the United States and the Middle East. In May 1995, Mr. Beinkampen was appointed to his current position, Director-Global Logistics.

Terrence L. Priest is Corporate Commerce Manager, Logistics for Coors Brewing Company at Golden, Colorado. He reviews all pricing and claims to ensure optimum, "legal" transportation prices and services for Coors Brewing Company and its various business units. He follows transportation logistics legislation and policy matters to evaluate impacts to Coors. Terry has been with Coors Brewing Company since 1982. He was formerly Corporate Traffic Manager for J.R. Simplot Company, in Boise Idaho, from 1969 until 1982. Before his employment at Simplot, he was an Agent/Telegrapher with Union Pacific Railroad from 1961 to 1969, with time out in between for military duty.

He holds B.A./B.S. Degrees in Business/Aviation and Economics from Boise State University. He holds the Masters Transportation Law degree from the College of Advanced Traffic. Terry



has completed Executive Programs at Columbia and Syracuse Universities and Massachusetts Institute of Technology and Global Education, Inc. at Denver. He has been involved in his career with professional transportation groups and is the recipient of several awards.

Terry chaired the Boise Chamber of Commerce Transportation Committee from 1976-1981 and worked with Junior Achievement of Southwest Idaho as advisor and director from 1972- 1978. He has taught a pilot program in transportation/distribution/logistics at Emily Griffith Opportunity School for the physically impaired from 1986-1995. He has been actively involved with DNA/DECA program since its inception in 1986 and is now on five Colorado committees involving a School to Career, 2+2+2 Logistics Program. He sits on the editorial review board of several industry magazines and professional journals and has authored several published articles.

Gary Gittings currently is a Research Associate with the Pennsylvania Transportation Institute and the Center for Logistics Research, both at Penn State University. His research focus is transport and logistics policy, with particular emphasis on infrastructure finance, decision-making and investment, infrastructure policy and logistics systems interactions, and tort liability and risk management in public agencies. He has recently completed or is currently responsible as Principal Investigator for many research projects including priority setting methodologies for aviation and rail projects, and business sector involvement in local and state freight transport planning processes.

Over the last twenty years Dr. Gittings has been involved in a wide range of public policy research for the U.S. Department of Transportation, the National Cooperative Highway Research Program, and several state departments of transportation. These research efforts have included estimation of the economic impact of small commercial airports, assessment of toll financing as a supplemental revenue source, evaluation of federal toll financing policies, public transit funding policy analysis, evaluation of fiscal strategies in support of multimodal transportation programs, definition of state role in rail and aviation system development, and analysis of the experience and response to tort liability and risk management in state transportation agencies.

Dr. Gittings has presented his research at national and international conferences of the Transportation Research Board, Transportation Research Forum, American Economic Association, Academy of Legal Studies in Business, American Society of Civil Engineers, and the World Conference on Transport Research Society. His research has been published in several leading refereed journals including Transportation Journal, Transportation Research, Journal of the Transportation Research Forum, American Business Law Journal, Transportation Research Record, Transportation Quarterly, and Journal of Transportation Engineering.

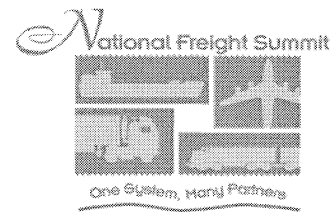
Dr. Gittings' educational background includes a M.S. in Transportation from Northwestern University and a Ph.D. in Business Administration from Penn State University.



Timothy P. Connearney is a Material Flow Project Manager for Saturn Corporation. He is the Project Leader for Production Control & Logistics activities in support of the introduction of a mid-size vehicle into the marketplace. His responsibilities include development and implementation plan for Logistics, Containerization, Material Flow, Information Systems and Order Management. He oversees the Material flow coordination plan and interfaces with GM of Europe Engineering, GM NAO Small Car Group, Saturn Manufacturing Engineering and Purchasing organizations.

Mr. Connearney has been with Saturn since 1989, having also served as Logistics/Supplier Scheduling Manager, Floor Operations Manager, and Material Flow Coordinator. Prior to that, he was an Office Manager for CPC Framingham.

He holds a Bachelor of Science in Business Administration from LaSalle University.



4. Railroad Consolidations

The landscape of the United States railroad system is being dramatically and swiftly altered. The sale of Conrail, past and future Class I mergers, and the vitality of short lines have major goods movement implications.

John Brown (Moderator) was born in Louisville, Kentucky and raised in southern Indiana. He received his undergraduate degree from Eastern Kentucky University and graduate degree from Western Kentucky University. He served in the United States Army for 30 years in transportation related assignments. These assignments included Germany, Okinawa, Vietnam, and several stateside assignments including the Pentagon and Carlisle Barracks. While at the Carlisle Barracks, he taught military strategy and transportation related areas.

Mr. Brown began his new career with the Pennsylvania Department of Transportation in July 1993 and was appointed Director, Bureau of Rail Freight, Ports and Waterways in December 1994.

H. Craig Lewis is the Regional Vice President for Norfolk Southern Corporation. Before joining Norfolk Southern, he was a partner at Dechert Price & Rhoads, a Philadelphia law firm.

The Norfolk Southern Regional Vice President position has been newly created as a result of the Conrail acquisition. Mr. Lewis, in this capacity, serves as the principal executive officer for Norfolk Southern in its Mid-Atlantic region, which includes Pennsylvania, New York, New Jersey, Delaware, and Maryland.

Mr. Lewis served in the Pennsylvania Senate from 1974 to 1994. He held significant leadership posts including Chairman of the Judiciary Committee, Chairman of the Ethics Committee, and Minority Chairman of the Appropriations Committee.

During his five terms in the senate, Mr. Lewis was actively involved in major business legislation. These efforts included the Partnership Limited Liability Act; establishment of the Independent Regulatory Review Commission; Pennsylvania's Anti-Takeover Statute; Business Corporation Law Reform; and the Municipal Pension Reform Act. He has also been an active proponent of Merit Selection of Judges, the creation of a Chancery Court in Pennsylvania, the establishment of a Code of Evidence, the enactment of a state antitrust statute and product liability reform. He served as the vice chairman of the Senate Impeachment Trial Committee during the trial of Supreme Court Justice Larsen.

Mr. Lewis is a member of the Executive Committee and Chairman of the Environmental Committee of the PENJERDEL Council, a non-profit local government advisory board dealing with transportation and environmental issues in the Delaware Valley. He is a board member of



the Philadelphia Foundation and chairman of its Development Committee. He also serves on the board of the Pennypack Ecological Trust.

Mr. Lewis graduated from Millersville University, attended the University of Nebraska Graduate School, and earned his J.D. degree from Temple University School of Law.

J. Randall Evans is Vice President, Acquisition and Development, of CSX Transportation, which is based in Jacksonville, Florida. Mr. Evans has been with CSX since 1991. Prior to his current position, he was the General Manager of the Florence Service Lane, the Superintendent of the Jacksonville Division, and the Vice President of Corridor Development, all with CSX Transportation.

Mr. Evans has previous experience as Secretary, the Maryland Department of Economic and Employment Development, and Executive Director, the Richmond Renaissance Program.

Mr. Evans graduated from Princeton University with a B.S. in Civil Engineering, and from Harvard University, the J.F. Kennedy School of Government, with a Masters in Public Policy.

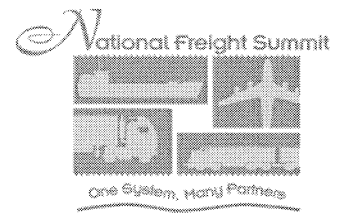
Among his business, civic, and professional affiliations are: Trustee, B&O Railroad Museum; Trustee, Maryland Institute of Art; Board of Visitors, University of Maryland School of Government; and Director, Jacksonville Housing Partnership.

Jacques J. Coté, President and Chief Executive Officer, St. Lawrence & Hudson Railway, joined CP Rail in 1970 as a marketing trainee in Montreal, after graduating from Laval University with a B.A. in social sciences and a degree in Business Administration (Marketing).

While working, he continued graduate studies in business administration at Concordia University and obtained a management training certificate from the University of Western Ontario in 1977.

After a short period as a distribution manager with the Aluminum Company of Canada in 1973, Mr. Coté returned to the railway in 1974 as manager, Marketing Development in Montreal. In 1977, he joined Canadian Pacific Consulting Services as project manager in Douala, Cameroon, and the following year was appointed general manager, Marketing and Sales for the railway's Atlantic Region, based in Montreal. In 1987, he was named executive director, Properties. He was appointed vice-president, Development, in 1993, the position he held until his current appointment.

A native of Montreal, Mr. Coté is a member of the Montreal Board of Trade, Chamber of Commerce of Metropolitan Montreal, Mount Stephen Club, Canadian Railway Club, the Governor General's Canadian Study Conference, American Marketing Association, H.R.H. the

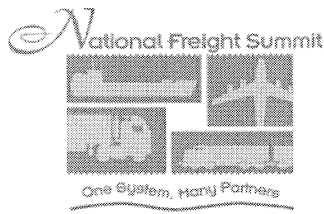


Duke of Edinburgh's Fifth Commonwealth Study Conference, and the Urban Development Institute (UDI).

Alice C. Saylor is Vice President & General Counsel of the American Short Line Railroad Association, a position she has held since January 1, 1994. ASLRA is a Washington-based trade association representing over 400 short line and regional railroads, which operate more than 45,000 miles of railroad and serve major industries as well as smaller communities and shippers. Mrs. Saylor represents ASLRA member railroads in legal, legislative, and regulatory matters.

Mrs. Saylor began her railroad career in Union Pacific Railroad's law department in 1976. She joined the law department of the seven short line and regional railroads of the Transtar Group, formerly the U.S. Steel Railroads, in 1983, and added the duties of public affairs director in 1987.

Mrs. Saylor has an undergraduate degree from the University of Chicago and a law degree from Creighton University. She presently serves as President-Elect of the Association for Transportation Law, Logistics and Policy.



5. Winning Ways

The Summit's underlying theme stated, *One System, Many Partners*. Success stories in ITS, dredging, and capital programming illustrated best practices in team approaches.

Joan B. Yim (Moderator), Vice-President and Program Manager for Marine Services for Parsons Brinckerhoff Quade and Douglas, rejoined Parsons Brinckerhoff in January 1997 after serving as the Deputy Marine Administrator in the U.S. Department of Transportation. Appointed by President Clinton in April of 1993, Joan served as the Chief Operating Officer of the 1,000 person Maritime Administration and exercised oversight responsibility for such areas as port and intermodal systems development, national security initiatives, intermodal negotiations, and budget and personnel matters.

Ms. Yim participated in shaping policy at the White House on issues relating to shipbuilding, urban port development, and led the Administration's effort to successfully develop a National Dredging Policy. Most recently, in October, 1996, she was the first woman to lead the United States delegation to the International Labor Organization's 84th Maritime meeting in Geneva, Switzerland, where she was one of only three national delegate chairs to address the entire body of delegates.

A professional planner with more than two decades of experience in community-based planning, policy analysis, project management and intergovernmental affairs, Ms. Yim was a supervising planner with Parsons Brinckerhoff prior to her appointment by President Clinton. Today, she is responsible for strategic planning and marketing for Parsons Brinckerhoff's marine and intermodal services worldwide. Parsons Brinckerhoff has been ranked by Engineering News-Record as the number one transportation engineering firm in the United States for the last nine years.

A member of the American Institute of Certified Planners, Ms. Yim earned a Bachelor of Arts degree from Connecticut College and pursued graduate studies at the University of Hawaii. She lived in Hawaii for more than twenty-five years where she was a homemaker, a community organizer, a policy analyst under three Governors, and an active participant in political campaigns. She is the mother of a daughter and son and currently resides in Washington, D.C.

Donald H. Lotz is the Manager of Intermodal Development for the Port Commerce Department at the Port Authority of New York and New Jersey. The Port Authority maintains major marine and container terminals in New Jersey and New York including Port Newark/Elizabeth New Jersey, Howland Hook and Red Hook New York. Mr. Lotz is responsible for formulating intermodal policy and strategy, and researching, planning, coordinating and managing intermodal operations, services and programs.



Prior to joining the Port Authority in 1985, Mr. Lotz served as Pricing Manager for the Atlantic Container Line (Europe-North America) and previously for the Blue Star Line (Australasia-North America). He also has previous experience in industrial transportation management for companies including FMC Industrial Chemical Division and General Motors Corporation.

Mr. Lotz holds a B.S. in transportation from New York University School of Business and an MBA in Management from Wayne State University. He has completed additional studies at the Northwestern University Transportation Institute and the Academy of Advanced Traffic in New York. He is also certified by the American Society of Transportation and Logistics and is licensed to practice before the Surface Transportation Board.

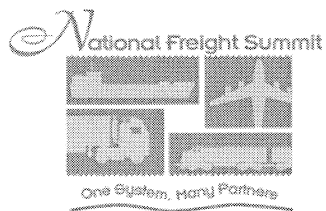
Randall E. Wade has been the Chief of the Intercity Planning Section of the Wisconsin Department of Transportation since 1991. In this capacity, he directs 10 permanent and 2 limited term employees, and manages over \$1 million in consultant service contracts in the preparation of statewide multimodal transportation plans for intercity modes. Intercity modes addressed include: auto, truck, intercity bus, passenger and freight rail, air passenger and cargo, waterborne freight and passenger ferry. He directs the preparation of multimodal corridor plans and statewide system plans for each of the above modes. He also conducts policy studies on related transportation topics and manages the CADDSS and GIS services for the Bureau of Planning.

His recent activities have included: directing the preparation of the intercity elements of Wisconsin's Translinks 21 Multimodal Transportation Plan; project management of a multi-state initiative to develop a Midwest Rail Passenger System; supervisory responsibility for a Chicago-Milwaukee High Speed Rail Corridor Study and the development of the Wisconsin State Airport System Plan. He is also currently project manager for the preparation of Wisconsin's State Highway Plan.

Mr. Wade is a member of national transportation technical and policy committees. He has given presentations on multimodal transportation issues at state and national meetings of groups such as the Transportation Research Board, the American Association of State Highway and Transportation Officials, Federal Highway Administration, the Wisconsin Manufacturers and Commerce Association, and the American Truckers Association.

He holds a Master of Science in Water Resources Management from the University of Wisconsin and a Bachelor of Arts in Economics from the University of Wisconsin.

F. Gerald Rawling has been the principal staff resource for the CATS' Intermodal Advisory Task Force for the past two and a half years. He has presented a White Paper to the USDOT/National Freight Partnership; organized the ISTEA outreach session with an intermodal panel in Chicago; written or co-written five Working Papers that report on the Task Force's



activities; has presented several times at TRB and AMPO conferences; co-authored CATS' seminal work on intermodal connectors; and most recently proposed to FHWA an engineering assessment of all the connectors in the Northeast Illinois region.

In his other life he writes encyclopedia and magazine articles on North American transportation issues, and is in demand as a soccer referee. His bumper sticker reads, "My kid and my money go to Ohio State." Mr. Rawling has an MA from Trinity, Cambridge in England and an MS and ABD from Northwestern.

W. Dennis Keck graduated from Newark College of Engineering with a Bachelor of Science degree in Civil Engineering in 1971. He completed his graduate program at Brooklyn Polytechnic Institute of New York in 1977, receiving a Masters of Science degree in Transportation Planning and Engineering in 1977.

Since 1996, Mr. Keck has served as a New Jersey Department of Transportation (NJDOT) Senior Executive responsible for coordinating all Intelligent Transportation System activities for NJDOT. In this role, he also serves as the Chairman of the I-95 Corridor Coalition Steering Committee and as a member of the Board of Directors of the Committee for a Smart New Jersey (local chapter of ITS America).

Between 1991 and 1995, Mr. Keck served as the Deputy and the Acting Assistant Commissioner for Policy and Planning. He oversaw five divisions responsible for planning, capital programming and monitoring, collecting and reporting transportation data, regulating transportation and providing multi-modal services (including freight services) and project development.

Mr. Keck started his career at NJDOT in 1971, and was instrumental in coordinating the completion of New Jersey's interstate system in the early 1980's. He is a licensed Professional Engineer and a licensed Professional Planner in the State of New Jersey.



6. A Final Word

The movement of freight is the subject of increased scrutiny by both the private and public sectors. This heightened regard will forge new challenges, opportunities, and alliances.

Congressman Robert A. Borski (D-PA) was first elected to the U.S. House of Representatives in November 1982. He is currently serving his eighth term as representative of Pennsylvania's Third Congressional District, which encompasses Northeast Philadelphia, the River Wards, Society Hill and portions of Queen Village.

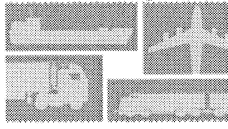
Rep. Borski is the third overall ranking member on the Transportation and Infrastructure Committee, and serves as the lead Democrat on its Water Resources and Environment Subcommittee, the panel which oversees the Federal Clean Water Act, Superfund, port development, disaster relief and other water-related programs. He is also a member of the Subcommittee on Railroads and the Subcommittee on Coast Guard and Maritime Transportation.

In addition to his leadership position on the Transportation and Infrastructure Committee, Congressman Borski has been selected by Democratic leaders to serve on the House Steering Committee which assigns members to House committees. He has also been named regional whip for Pennsylvania and Ohio, advising leaders how his colleagues intend to vote on the floor.

As a senior member on the Transportation and Infrastructure Committee and subcommittee ranking member, Congressman Borski is a vocal advocate of an improved national transportation system and a strong federal commitment to public infrastructure and mass transit programs. In Philadelphia, his legislative efforts have resulted in millions of dollars more for SEPTA and transportation improvements which will greatly benefit the Port of Philadelphia. He has worked tirelessly to defend public safety, authoring legislation which bans the expanded use of triple trailer trucks and legislation which prohibited the dangerous practice of backhauling—transporting foods one way and toxic chemicals on the return trip.

Prior to his 1982 election to the U.S. Congress, Rep. Borski served three terms in the Pennsylvania State House. Before that, he was a floor manager at the Philadelphia Stock Exchange. Congressman Borski was born in Philadelphia and is a life-long resident of the city.

*N*ational Freight Summit



One System, Many Partners

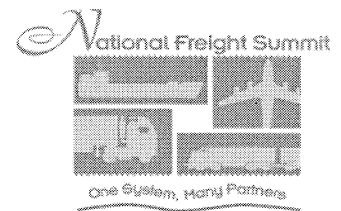


C. NATIONAL FREIGHT SUMMIT PARTNERS

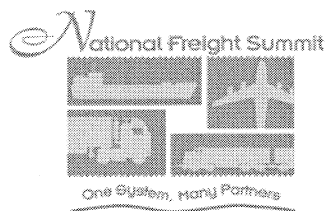
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Michael J. Arendes	Intermodal Association of North America	(301) 982-3400
Charlie Battler	Dickinson Fleet Services	(215) 679-6241
Preston Beck	Port of Portland	(503) 731-7514
Charles N. Beinkampen	DuPont Corp.	(302) 773-0680
Richard J. Biery	Northern Tier Regional Planning & Dev. Comm.	(717) 265-9103
Robert A. Borski	U.S. House of Representatives	(215) 335-3355
Clifford R. Bragdon, Ph.D.	The NAT Center	(516) 244-1300
Rebecca M. Brewster	American Trucking Associations	(404) 873-1201
John E. Brown	PennDOT	(717) 783-8567
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Bernard Cohen	Southeastern PA Transportation Authority	(215) 580-7354
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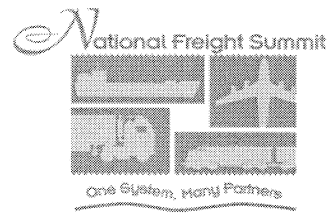
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Dennis Rochford	Maritime Exchange	(215) 925-1524
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Gary R. Shields	Lukens, Inc.	(610) 383-2237
Candace Snyder	Delaware Valley Regional Planning Commission	(215) 592-1800



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Carol Ann Thomas	Burlington County	(609) 265-5081
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Anthony J. Vasil	Port of Albany, New York	(732) 390-1711
Frank Venezia	Venezia Transport Service	(610) 495-5200
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M. John Vickerman	VZM TranSystems Corp.	(703) 758-8800
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Intermodal Association of North America
Lukens, Inc.
MXWorldwide
Parsons Brinckerhoff
Pennsylvania Motor Truck Association, Philadelphia/Delaware Valley Chapter
Port of Philadelphia and Camden
SMS Rail Service, Inc.
St. Lawrence & Hudson Railway, Subsidiary, Canadian Pacific Railway